Padasalai’s Telegram Groups!

- Padasalai's NEWS - Group
  https://t.me/joinchat/NIfCqVRBNj9hhV4wu6_NqA

- Padasalai's Channel - Group
  https://t.me/padasalaichannel

- Lesson Plan - Group
  https://t.me/joinchat/NIfCqVWwo5iL-21gpzrXLw

- 12th Standard - Group
  https://t.me/Padasalai_12th

- 11th Standard - Group
  https://t.me/Padasalai_11th

- 10th Standard - Group
  https://t.me/Padasalai_10th

- 9th Standard - Group
  https://t.me/Padasalai_9th

- 6th to 8th Standard - Group
  https://t.me/Padasalai_6to8

- 1st to 5th Standard - Group
  https://t.me/Padasalai_1to5

- TET - Group
  https://t.me/Padasalai_TET

- PGTRB - Group
  https://t.me/Padasalai_PGTRB

- TNPSC - Group
  https://t.me/Padasalai_TNPSC
UNIT 1 MANAGEMENT PROCESS
CHAPTER 1 PRINCIPLES OF MANAGEMENT
I. Choose the Correct answers
1. Management is what a ________ does?
   a) Manager  b) Subordinate  c) Supervisor  d) Superior
2. Management is an ________
   a) Art  b) Science  c) Art and Science  d) Art or Science
3. Scientific management is developed by
   a) Fayol  b) Taylor  c) Mayo  d) Jacob
4. Dividing the work into small tasks is known as
   a) Discipline  b) Unity  c) Division of work  d) Equity
5. With a wider span, there will be _______ hierarchical levels.
   a) More  b) Less  c) Multiple  d) Additional

CHAPTER 2 FUNCTIONS OF MANAGEMENT
I. Choose the Correct Answers:
1. Which is the primary function of management?
   (a) Innovating  (b) Controlling  (c) Planning  (d) Decision-making
2. Which of the following is not a main function?
   (a) Decision-making  (b) Planning  (c) Organizing  (d) Staffing
3. Distribution of work in group wise or section wise is called as ________
   (a) Co-coordinating  (b) Controlling  (c) Staffing  (d) Organizing
4. Which of the following is verification function?
   (a) Planning  (b) Organising  (c) Staffing  (d) Controlling

CHAPTER 3
MANAGEMENT BY OBJECTIVES (MBO) and MANAGEMENT BY EXCEPTION (MBE)
I. Choose the Correct Answers:
1. ___________ System gives full Scope to the Individual Strength and Responsibility.
   (a) MBO  (b) MBE  (c) MBM  (d) MBA
2. Which is the First step in Process of MBO?
   (a) Fixing Key Result Area  (b) Appraisal of Activities
   (c) Matching Resources with Activities  (d) Defining Organisational Objectives
3. __________ keeps Management Alert to Opportunities and Threats by Identifying Critical Problems.
   (a) MBA  (b) MBE  (c) MBM  (d) MBO
4. Delegation of Authority is Easily Done with the Help of __________.
   (a) MBA  (b) MBE  (c) MBO  (d) MBA

UNIT II FINANCIAL MARKETS – I
CHAPTER 4 INTRODUCTION TO FINANCIAL MARKETS
I. Choose the Correct Answers:
1. Financial market facilitates business firms
   a) To rise funds  b) To recruit workers  c) To make more sales  d) To minimize fund requirement
2. Capital market is a market for
   a) Short Term Finance  b) Medium Term Finance  c) Long Term Finance  d) Both Short Term and Medium Term Finance
3. Primary market is also called as
   a) Secondary market  b) Money market  c) New Issue Market  d) Indirect Market
4. Spot Market is a market where the delivery of the financial instrument and payment of cash occurs
   a) Immediately  b) In the future  c) Uncertain  d) After one month
5. How many times a security can be sold in a secondary market?
   a) Only one time  b) Two time  c) Three times  d) Multiple times
CHAPTER 5 CAPITAL MARKET
I. Choose the Correct Answers:
1. Capital market do not provide
   a) Short term Fund b) Debenture Funds c) Equity Funds d) Long term Funds
2. When the NSEI was established
   a) 1990 b) 1992 c) 1998 d) 1997
3. Primary market is a Market where securities are traded in the
   a) First Time b) Second Time c) Three Time d) Several Times
4. Participants in the capital market includes
   a) Individuals b) Corporate c) Financial Institutions d) All of the above
5. How many times a security can be sold in a secondary market?
   a) Only One Time b) Two Time c) Three Times d) Multiple Times

CHAPTER 6 MONEY MARKET
I. Choose the Correct Answers:
1. The money invested in the call money market provides high liquidity with __________.
   a) Low Profitability b) High Profitability c) Limited Profitability d) Medium Profitability
2. A major player in the money market is the __________.
   a) Commercial Bank b) Reserve Bank of India c) State Bank of India d) Central Bank.
3. Money Market provides __________.
   a) Medium-term Funds b) Short-term Funds c) Long-term Funds d) Shares
4. Money Market Institutions are __________.
   a) Investment Houses b) Mortgage Banks c) Reserve Bank of India d) Commercial Banks and Discount Houses.
5. Risk in the Money Market is __________.
   a) High b) Market Risk c) Low Credit and Market Risk d) Medium Risk
6. Debt Instruments are issued by Corporate Houses are raising short-term financial
   resources from the money market are called __________.
   a) Treasury Bills b) Commercial Paper c) Certificate of Deposit d) Government Securities
7. The market for buying and selling of Commercial Bills of Exchange is known as a __________.
8. A marketable document of title to a time deposit for a specified period may be referred to as a __________.
   a) Treasury Bill b) Certificate of Deposit c) Commercial Bill d) Government Securities
9. Treasury Bills commands __________.
   a) High Liquidity b) Low Liquidity c) Medium Liquidity d) Limited Liquidity
10. Government Securities are issued by agencies such as __________.
    a) Central Government b) State Governments c) Semi-government Authorities d) All of the above.

UNIT III FINANCIAL MARKETS – II
CHAPTER 7 STOCK EXCHANGE
I. Choose the Correct Answers:
1. ____ is the oldest stock exchange in the world. (Refer Page 48 for correct answer)
   a) London Stock Exchange b) Bombay Stock Exchange c) National Stock Exchange d) Amsterdam Stock Exchange
2. There are ____ stock exchange in the country.
   a) 21 b) 24 c) 20 d) 25 (refer page 52)
3. Stock exchanges deal in
   a) Goods b) Services c) Financial Securities d) Country’s Currency
4. Stock exchange allow trading in
   a) All types of Shares of any Company b) Bonds issued by the Govt c) Listed Securities d) Unlisted Securities
5. Jobbers transact in a stock exchange
   a) For their Clients b) For their Own Transactions c) For other Brokers d) For other Members
6. A pessimistic speculator is
   a) Stag b) Bear c) Bull d) Lame Duck
7. An optimistic speculator is
   a) Bull b) Bear c) Stag d) Lame duck
3. Advertisement is a
   a) job seeker and job provider

2. Recruitment bridges gap between
   a) right man for right job

1. Recruitment is the process of identifying
   a) enter

5. Labour turnover is the rate at which employees
   a) internal, external

4. Human resource management determines the
   a) selective

3. Planning is a
   a) Science and art

2. Human Resource management is both
   a) Tangible

1. Human resource is a
   a) Permanent Amount Number b) Primary Account Number

I. Choose the Correct Answers:
1. Securities Exchange Board of India was first established in the year

2. The headquarters of SEBI is
   a) Calcutta b) Bombay c) Chennai d) Delhi

3. In which year SEBI was constituted as the regulator of capital markets in India?
   a) 1988 b) 1992 c) 2014 d) 2013

4. Registering and controlling the functioning of collective investment schemes as
   a) Mutual Funds b) Listing c) Materialisation d) Rematerialisation

5. SEBI is empowered by the Finance ministry to nominate ______ members on the Govt body of every stock exchange.
   a) 5 b) 3 c) 6 d) 7

6. The process of converting physical shares into electronic form is called
   a) Dematerialization b) Delisting c) Materialization d) Debarring

7. Trading is dematerialized shares commenced on the NSE is

8. ________ was the first company to trade its shares in Demat form.
   a) Tata Industries b) Reliance Industries c) Infosys d) Birla Industries

9. ________ enables small investors to participate in the investment on share capital of large companies.
   a) Mutual Funds b) Shares c) Debentures d) Fixed deposits

10. PAN stands for ________
    a) Permanent Amount Number b) Primary Account Number c) Permanent Account Number d) Permanent Account Nominee

UNIT IV HUMAN RESOURCE MANAGEMENT

CHAPTER 9 FUNDAMENTALS OF HUMAN RESOURCE MANAGEMENT

I. Choose the Correct Answers:
1. Human resource is a ______ asset.
   a) Tangible b) Intangible c) Fixed d) Current

2. Human Resource management is both _______ and ________.
   a) Science and art b) Theory and practice c) History and Geography d) None of the above

3. Planning is a _________ function.
   a) selective b) pervasive c) both a and b d) none of the above

4. Human resource management determines the ________ relationship.
   a) internal, external b) employer, employee c) Owner, Servant d) Principle, Agent

5. Labour turnover is the rate at which employees ________ the organisation
   a) enter b) leave c) Salary d) None of the above

CHAPTER 10 RECRUITMENT METHODS

I. Choose the Correct Answers:
1. Recruitment is the process of identifying ________.
   a) right man for right job b) good performer c) Right job d) All of the above

2. Recruitment bridges gap between ________ and ________.
   a) job seeker and job provider b) job seeker and agent c) job provider and owner d) owner and servant

3. Advertisement is a ________ source of recruitment
a) internal  b) external  c) agent  d) outsourcing
4. Transfer is an ----------------- source of recruitment.
   a) internal  b) external  c) outsourcing  d) None of the above
5. e) recruitment is possible only through ----------------- facility.
   a) Computer  b) internet  c) Broadband  d) 4G

CHAPTER 11 EMPLOYEE SELECTION PROCESS
I. Choose the Correct Answers:
1. The recruitment and Selection Process aimed at right kind of people.
   a) At right people b) At right time c) To do right things d) All of the above
2. The poor quality of selection will mean extra cost on ----------------- and supervision
   a) Training b) Recruitment c) work quality d) None of these
3. ----------------- refers to the process of identifying and attracting job seekers so as to build a pool of qualified job applicants.
   a) Selection b) Training c) Recruitment  d) Induction
4. Selection is usually considered as a----------------- process
   a) Positive b) Negative c) Natural d) None of these
5. Which of the following test is used to measure the various characteristics of the candidate?
   a) physical Test  b) Psychological Test  c) attitude Test  d) Proficiency tests
6. Which of the following orders is followed in a typical selection process.
   a) Application Form Test And Or Interview, Reference Check And Physical Examination
   b) Application Form Test And Or Interview, Reference Check, And Physical Examination
   c) Reference Check, Application Form, Test And Interview And Physical Examination
   d) Physical Examination Test And On Interview Application Term And Reference Check.
7. The purpose of an application blank is to gather information about the
   a) Company b) Candidate c) Questionnaire or Interview Schedule d) Competitors
8. Identify the test that acts as an instrument to discover the inherent ability of a candidate.
   a) Aptitude Test  b) Attitude Test  c) Proficiency Test  d) Physical Test
9. The process of eliminating unsuitable candidate is called
   a) Selection b) Recruitment c) Interview  d) Induction
10. Scrutiny of application process is the
    a) Last step in Selection process b) First step in Selection process c) Third step in Selection Process d) None above
11. Selection process helps in
    a) Locating candidates  b) Determining the suitability of the candidates. c) preparing employees for training d) None
12. The process of placing the right man on the right job is called -------------
    a) Training b) Placement c) Promotion d) Transfer
13. Probation/Trial period signifies
    a) one year to two years  b) one year to three years c) Two years to four years d) None of the above
14. Job first man next is one of the principles of -------------
    a) Test b) Interview c) Training d) placement

CHAPTER 12 EMPLOYEE TRAINING METHOD
I. Choose the Correct Answers:
1. Off the Job training is given
   a) In the class room  b) On off days  c) Outside the factory  d) In the playground
2. Vestibule training is provided
   a) On the job b) In the class room c) In a situation similar to actual working environment d) By the committee
3. Improves Skill Levels of employees to ensure better job performance
   a) Training b) Selection c) Recruitment d) Performance appraisal
4. When trainees are trained by supervisor or by superior at the job is called
   a) Vestibule training b) Refresher training c) Role play  d) Apprenticeship training
5. -------------- is useful to prevent skill obsolescence of employees
   a) Training b) Job analysis c) Selection d) Recruitment
6. Training methods can be classified into training --------------training
I. Choose the Correct Answers:

1. One who promotes (or) Exchange of goods or services for money is called as .
   a) Seller b) Marketer c) Customer d) Manager

2. Who is supreme in the market?
   a) Customer b) Seller c) Wholesaler d) Retailer

3. In the following variables which one is not the variable of marketing mix?
   a) Place Variable b) Product Variable c) Program Variable d) Price Variable

4. Marketing mix means a marketing program that is offered by a firm to its target ______to earn profits through satisfaction of their wants.
   a) Wholesaler b) Retailer c) Consumer d) Seller

5. Which one is the example of intangible product?
   a) Education b) Mobiles c) Garments d) Vehicles

II. V ELEMENTS OF MARKETING

CHAPTER 13 CONCEPT OF MARKETING AND MARKETER

I. Choose the Correct Answers:

1. The initial stage of marketing system is ______
   a) Monopoly system b) Exchange to Money c) Barter system d) Self producing

2. Which one of the market deals in the purchase and sale of shares and debentures?
   a) Stock Exchange Market b) Manufactured Goods Market c) Local Market d) Family Market

3. The Spot market is classified on the basis of ______
   a) Commodity b) Transaction c) Regulation d) Time

4. Elaborate discussion on specific topic comes under ______
   a) Only theoretical training b) Both theory and practical training c) Hands on training d) Abstraction Training

5. Which one is the example of intangible product?
   a) Education b) Mobiles c) Garments d) Vehicles

6. Which type of trainee.
   a) Under study b) Coaching c) Conferences d) Counselling

UNIT V ELEMENTS OF MARKETING

CHAPTER 14 MARKETING AND MARKETING MIX

I. Choose the Correct Answers:

1. The initial stage of marketing system is ______
   a) Spot Market b) Local Market c) Security Market d) National Market

2. Effective use of social media marketing increase conversion rates of ______
   a) Job rotation and Job enrichment b) On the Job and Off the Job c) Job analysis and Job design d) Physical and mental

3. Case study method is ______
   a) Only theoretical training b) Both theory and practical training c) Hands on training d) Abstraction Training

4. Elaborate discussion on specific topic comes under ______
   a) Under study b) Coaching c) Conferences d) Counselling

CHAPTER 15 RECENT TRENDS IN MARKETING

I. Choose the Correct Answers:

1. Selling goods/services through internet is
   a) Green marketing b) E-business c) Social marketing d) Meta marketing

2. Which is gateway to internet?
   a) Portal b) CPU c) Modem d) Webnaire

3. Which one represents a cluster of manufacturers, content providers and online retailers organised around an activity?
   a) Virtual mall b) Association c) Metamediary d) Portal

4. Social marketing deals with:
   a) Society b) Social Class c) Social change d) Social evil

5. Effective use of social media marketing increase conversion rates of ______
   a) Customer to buyers b) Retailer to customers c) One buyer to another buyer’s d) Direct contact of marketer

6. A company’s products and prices is visually represented by
   a) Shopping cart b) Web portal c) Electronic catalogue d) Revenue model.

7. Green Shelter concept was introduced by group:
   a) ACME b) Tata c) Reliance d) ICI

8. Pure play retailers are called
   a) Market creators b) Transaction brokers c) Merchants d) Agents

CHAPTER 16 CONSUMERISM

I. Choose the Correct Answers

Send Your Questions & Answer Keys to our email id - padasalai.net@gmail.com
1. The term 'consumerism' came into existence in the year _______________
   a) 1960 b) 1957 c) 1954 d) 1958

2. Who is the father of Consumer Movement?
   a) Mahatma Gandhi b) Mr. Jhon F. Kennedy c) Ralph Nader d) Jawaharlal Nehru

3. Sale of Goods Act was passed in the year?
   a) 1962 b) 1972 c) 1982 d) 1985

4. The main objective of all business enterprises is _________
   a) Providing service b) Providing better standard of live
   c) Providing necessities to the society d) Earn profit

5. The consumer Protection Act came into force with effect from
   a) 1.1.1986 b) 1.4.1986 c) 15.4.1987 d) 15.4.1990

6. ___________ of every year is declared as a Consumer Protection Day to educate the public about their rights and responsibilities.
   a) August 15 b) April 15 c) March 15 d) September 15

7. Any person who buys any goods or avails services for personal use, for a consideration is called as
   a) Customer b) Consumer c) Buyer d) User

8. The General Assembly of United Nations passed resolution of consumer protection guide lines on
   a) 1985 b) 1958 c) 1986 d) 1988

CHAPTER 17 CONSUMER PROTECTION

I. Choose the Correct Answers
   1. The final aim of modern marketing is ______
      a) Maximum profit b) Minimum profit c) Consumer satisfaction d) Service to the society
      2. _______ is the king of modern marketing.
         a) Consumer b) Wholesaler c) Producer d) Retailer

   3. As the consumer is having the rights, they are also having __________
      a) Measures b) Promotion c) Responsibilities d) Duties

   4. Which of the following is not a consumer right summed up by John F. Kennedy
      a) Right to safety b) Right to choose c) Right to consume d) Right to be informed

   5. It is the responsibility of a consumer that he must obtain ______ as a proof for the Purchase of goods.
      a) Cash receipt b) Warranty card c) Invoice d) All of these

CHAPTER 18 GRIEVANCE REDRESSAL MECHANISM

I. Choose the Correct Answers
   1. The Chairman of the National Consumer Disputes Redressal Council is ____________
      a) Serving or Retired Judge of the Supreme Court India b) Prime Minister c) President of India d) None of the above

   2. The Chairman of the State Consumer Protection Council is __________
      a) Judge of a High Court b) Chief Minister c) Finance Minister d) None of the above

   3. The Chairman of the District Forum is ________
      a) District Judge b) High Court Judge c) Supreme Court Judge d) None of the above

   4. The State Commission can entertain complaints where the value of the goods or services and the compensation, if any claimed exceed
      a) Rs. 2 lakhs but does not exceed Rs. 5 lakhs b) Rs. 20 lakhs but does not exceed Rs. 1 crore
      c) Rs. 3 lakhs but does not exceed Rs. 5 lakhs d) Rs. 4 lakhs but does not exceed Rs.20 lakhs

   5. The National Consumer Disputes Redressal Commission has jurisdiction to entertain complaints where the value of goods/services complained against and the compensation, if any, claimed is
      a) Exceeding Rs. 1 crore b) Exceeding Rs. 10 lakhs c) Exceeding Rs. 5 lakhs d) Exceeding Rs. 12 lakhs

   6. The District Forum can entertain complaints where the values of goods or services and the compensation if any claimed is less than
      a) Below Rs. 10,00,000 b) Below Rs. 20,00,000 c) Below Rs. 40,00,000 d) Below Rs. 50,00,000

   7. The International Organization of Consumers Unions (IOCU) was first established in
      a) 1960 b) 1965 c) 1967 d) 1987

8. Consumer awareness covers the following:
UNIT VII CHAPTER 20 LIBERALIZATION, PRIVATIZATION AND GLOBALIZATION

1. ______ is the result of New Industrial Policy which abolished the ‘License System’.
   (a) Globalisation (b) Privatisation (c) Liberalization (d) None of these

2. ______ means permitting the private sector to setup industries which were previously reserved for public sector.
   (a) Liberalization (b) Privatisation (c) Globalisation (d) Public Enterprise

3. ______ ownership makes bold management decisions due to their strong foundation in the international level.
   (a) Private (b) Public (c) Corporate (d) MNC’s

4. ______ results from the removal of barriers between national economies to encourage the flow of goods, services, capital and labour.
   (a) Privatisation (b) Liberalization (c) Globalisation (d) Foreign Trade

5. New Economic Policy was introduced in the year ________.
   (a) 1980 (b) 1991 (c) 2013 (d) 2015

UNIT VIII CHAPTER 21 THE SALE OF GOODS ACT 1930

1. Sale of Goods Act was passed in the year
   a) 1940 b) 1997 c) 1930 d) 1960

2. Which of the below constitutes the essential element of contract of sale?
   a) Two parties b) Transfer of property c) Price d) All of the above

3. Which of the below is not a good?
   a) Stocks b) Dividend due c) Crops d) Water

4. In case of the sale, the ________ has the right to sell
   a) Buyer b) Seller c) Hirer d) Consignee

5. The property in the goods means the
   a) Possession of goods b) Custody of goods c) Ownership of goods d) Both (a) and (b)

6. Specific goods denote goods identified upon the time of ________ of sale.
   a) Agreement b) Contract c) Order d) Obligation

7. In which of the following types, the ownership is immediately transferred to buyer?
   a) When goods are ascertained b) When goods are appropriate c) Delivery to the carrier d) Sale or return basis
8. _______ is a stipulation which is collateral to main purpose of contract:
   a) Warranty  b) Condition c) Right d) Agreement
9. Unpaid seller can exercise his right of lien over goods, where he is possession of the goods as
   a) Owner of goods b) Agent of buyer c) Bailor for buyer d) All of these
10. The unpaid seller can exercise his right of stoppage of goods in transit where the buyer
    a) Becomes insolvent  b) Refuses to pay price c) Payment of price d) Both (b) and (c)

CHAPTER 22 THE NEGOTIABLE INSTRUMENTS ACT 1930
I. Choose the Correct Answers
1. Negotiable Instrument Act was passed in the year_________.
   (a) 1981   (b) 1881   (c) 1994   (d) 1818
2. Negotiable Instrument is freely transferable by delivery if it is a__________ instrument.
   (a) Order   (b) Bearer   (c) Both a & b   (d) None of the above
3. The transferee of a Negotiable Instrument is the one ________
   (a) Who transfer the instrument   (b) On whose name it transferred   (c) Who enchases it   (d) None of the above
4. Number of parties in a bill of exchange are
   (a) 2   (b) 6   (c) 3   (d) 4
5. Section 6 of Negotiable Instrument Act 1881 deals with
   (a) Promissory note (b) Bills of exchange (c) Cheque (d) None of the above
6. _______ cannot be a bearer instrument.
   (a) Cheque (b) Promissory note (c) Bills of exchange (d) None of the above
7. When crossing restrict further negotiation
   (a) Not negotiable crossing (b) General Crossing (c) A/c payee crossing (d) Special crossing
8. Which endorsement relieves the endorser from incurring liability in the event of dishonour
   (a) Restrictive (b) Faculative (c) Sans recourse (d) Conditional
9. A cheque will become stale after______
   (a) 3   (b) 4   (c) 5   (d) 1
10. Document of title to the goods exclude
   (a) Lorry receipt (b) Railway receipt (c) Airway bill (d) Invoice

UNIT-IX CHAPTER 23 ELEMENTS OF ENTREPRENEURSHIP
I. Choose the Correct Answers
1. Which of the below is a factor of production?
   a) Land b) Labour c) Entrepreneurs d) All of the above
2. Entrepreneur is not classified as
   a) Risk Bearer b) Innovator c) Employee d) Organizer
3. What are the characteristics of an entrepreneur?
   a) Spirit of enterprise b) Flexibility c) Self confidence d) All of the above
4. Which of the below is not classified into managerial functions?
   a) Planning b) Marketing c) Organizing d) Controlling
5. Which of the below is a commercial function?
   a) Accounting b) Coordination c) Discovery of idea d) Planning

CHAPTER 24 Types of Entrepreneurs
I. Choose the Correct Answers:
1. Choose the type of entrepreneur that isn’t based on function:
2. Choose the type of Entrepreneur that is not based on Motivation:
   a. Pure b. Corporate c. Spontaneous d. Induced
3. Which of the following is the Activity of a Business Entrepreneur?
   a. Production b. Marketing c. Operation d. All of the above
4. Find the odd one out in context of Trading Entrepreneur.
5. Corporate Entrepreneur is also called as _______
1. A person shall hold office as a director in _____ companies as per the Companies Act, 2013. a) Premium b) Par c) Par d) Both b & c

10. The Companies Act 2013 prohibits the issue of shares at _______ to the public. a) Bonus Share b) Equity Share

9. The shares which are offered first to the existing shareholder at reduced price is known as _______. a) Bonus Share b) Right Share c) Preference Share d) Both at par and Premium

8. The shares which are offered to the existing shareholder at free of cost is known as _______. a) Share Certificate b) Share c) Share d) Stock

7. Specify the document which comes under the Negotiable Instrument Act. a) Share Certificate b) Share c) Share Warrant d) Stock

6. Who can issue stock? a) Public b) Private c) One Person d) small

5. Specify the type of resolution to be passed to choose the location of Registered Office of the company within the town or village or city. a) Ordinary b) Special c) Either Ordinary or Special d) Board

4. Which of the following types of shares are issued by a company to raise capital from the existing shareholders? a) Equity Shares b) Right Shares c) Preference Shares d) Bonus Shares

3. For which type of capital a company pays the prescribed fees at the time of registration? a) Subscribed Capital b) Authorised Capital c) Paid-up capital d) Issued Capital

2. How does a person who envisages the idea to form a company called? a) Director b) Company Secretary c) Registrar d) Promoter

1. The company will have to issue the notice of situation of Registered Office to the Register of Companies within ________ days from the date of incorporation. a) 14 days b) 21 days c) 30 days d) 60 days

6. Poultry, Flowers, Fruits etc are called allied Products of _______ entrepreneur. a) Corporate b) Retail c) Trading d) Agricultural

7. ________ Entrepreneur Supply Services Unlike. a) Village or city. b) Town or city. c) Town or village d) Village

8. Motive of a Pure Entrepreneur is a) Modern b) Professional c) Corporate d) Industrial

9. Which of these is based on Technology? a) Conservative b. Risk averse c. Sceptical d. Adaptive

8. Motive of a Pure Entrepreneur is a) Modern b) Professional c) Corporate d) Industrial

7. Specify the type of resolution to be passed to choose the location of Registered Office to a company within the town or village or city. a) Village or city. b) Town or city. c) Town or village d) Village

6. Poultry, Flowers, Fruits etc are called allied Products of _______ entrepreneur. a) Corporate b) Retail c) Trading d) Agricultural

5. ________ has to include the mechanism for managing venture in the project report. a) AIM b) STEP c) SEED d) AIC


3. ________ is the Government of India’s endeavour to promote culture of innovation and entrepreneurship. a) Digital India b) Make in India c) Startup India d) Design India

2. ________ is designed to transform India to a global design and manufacturing hub. a) Digital India b) Make in India c) Startup India d) Design India

1. The ________ initiative was launched to modernize the Indian economy to make all governments services available electronically. a) Standup India b) Startup India c) Digital India d) Make in India

I. Choose the Correct Answers

1. The ________ initiative was launched to modernize the Indian economy to make all governments services available electronically. a) Standup India b) Startup India c) Digital India d) Make in India

2. ________ is designed to transform India to a global design and manufacturing hub. a) Digital India b) Make in India c) Startup India d) Design India

3. ________ is the Government of India’s endeavour to promote culture of innovation and entrepreneurship. a) AIM b) STEP c) SEED d) AIC


5. ________ has to include the mechanism for managing venture in the project report. a) AIM b) STEP c) SEED d) AIC

UNIT 10 COMPANY LAW AND SECRETARIAL PRACTICE

CHAPTER 26 COMPANIES ACT 2013

I. Choose the Correct Answers

1. The company will have to issue the notice of situation of Registered Office to the Register of Companies within ________ days from the date of incorporation. a) 14 days b) 21 days c) 30 days d) 60 days

2. How does a person who envisages the idea to form a company called? a) Director b) Company Secretary c) Registrar d) Promoter

3. For which type of capital a company pays the prescribed fees at the time of registration? a) Subscribed Capital b) Authorised Capital c) Paid-up capital d) Issued Capital

4. Which of the following types of shares are issued by a company to raise capital from the existing shareholders? a) Equity Shares b) Right Shares c) Preference Shares d) Bonus Shares

5. Specify the type of resolution to be passed to choose the location of Registered Office of the company within the town or village or city. a) Ordinary b) Special c) Either Ordinary or Special d) Board

6. Who can issue stock? a) Public b) Private c) One Person d) small

7. Specify the document which comes under the Negotiable Instrument Act. a) Share Certificate b) Share c) Share Warrant d) Stock

8. The shares which are offered to the existing shareholder at free of cost is known as _______. a) Bonus Share b) Equity Share c) Right Share d) Preference Share

9. The shares which are offered first to the existing shareholder at reduced price is known as _______. a) Bonus Share b) Equity Share c) Right Share d) Preference Share

10. The Companies Act 2013 prohibits the issue of shares at ________ to the public. a) Premium b) Par c) Discount d) Both at par and Premium

CHAPTER 27 COMPANY MANAGEMENT

I. Choose the Correct Answers

1. A person shall hold office as a director in ________ companies as per the Companies Act, 2013.
a) 5 companies  b) 10 Companies  c) 20 companies  d) 15 companies

2. Which Director is appointed by a Financial institution.
a) Nominee  b) Additional  c) Women  d) Shadow

3. A private company shall have a minimum of ____________.
a) Seven directors  b) Five directors  c) Three directors  d) Two directors

4. A public company shall have a minimum of ____________ Directors.
a) Twelve  b) Seven  c) Three  d) Two

5. A public company having a paid up share capital of Rs. _____ or more may have a Director, elected by such small shareholders.
a) One  b) Three  c) Five  d) Seven

6. Under the companies Act, which one of the following powers can be exercised by the Board of Directors?
a) Power to the company’s undertakings.  b) Power to make call.  c) Power to borrow money in excess of the paid up capital.  d) Power to reappoint an auditor.

7. Which director need not hold qualifying shares.
a) Directors appointed to Central Government.  b) Directors appointed to Shareholders.  c) Directors appointed to Managing Directors.  d) Directors appointed to Board of Directors.

8. What is the status of Directors who regulate money of the company.
a) Banker  b) Holder  c) Agent  d) Trustees

9. According to Companies Act, the Directors must be appointed by the.
a) Central Government  b) Company Law Tribunal  c) Company in General Meeting  d) Board of Directors.

10. The Board of Directors can exercise the power to appoint directors in the case of.
a) Additional Directors  b) Filling up the Casual vacancy  c) Alternate Directors  d) All the above.

UNIT-X CHAPTER 28 COMPANY SECRETARY

I. Choose the Correct Answers

1. Mention the status of a company secretary in a company?
a) A member  b) A director  c) An independent  d) An employee contractor

2. Who can become a secretary for a company?
a) Individual person  b) Partnership  c) Co-operative societies  d) Trade unions

3. Which meeting will be held only once in the life time of the company?
a) Statutory  b) Annual General  c) Extra-Ordinary  d) Class General

4. Board Meeting to be conducted minimum ____________ times in the year.
a) 2 b) 3 c) 4 d) 5

5. Who is not entitled to speak at the annual general meeting of the company.
a) Auditor  b) Shareholder  c) Proxy  d) Directors

6. Mention the company which need not convene the statutory Meeting.
a) Widely held public  b) Private Limited  c) Public Limited  d) Guarantee having a share capital

7. From the date of its incorporation the First Annual General Meeting is to be conducted within ____________ months.
a) Twelve  b) Fifteen  c) Eighteen  d) Twenty one

8. What percentage of shareholders is needed to pass special resolution?
a) It must be unanimous  b) Not less than 90%  c) Not less than 75%  d) More than 50%

9. A special resolution is required must be filed with the Register within
a) 7 days  b) 4 days  c) 30 days  d) 60 days

10. A special resolution is required to
a) Redeem the debentures  b) Declare dividend  c) Appoint directors  d) Appoint auditor
very short answer

II. Very short answer questions:
1. What is Management?
   “Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.”— Peter F. Drucker.
2. List out the management tools.
   I. Strategic Planning
   II. Customer Relationship Management
   III. Employee Engagement Surveys
   IV. Benchmarking
   V. Balanced Scorecard
3. Who is a manager?
   “A professional manager is one who specialises in the work of planning, organising, leading and controlling the efforts of others and does so through systematic use of classified knowledge, a common vocabulary and principles and who subscribes to the standards of practice and code of ethics established by recognised body.” — Louis A. Allen
4. State the meaning of Authority.
   Authority means the right of a superior to give the order to his subordinates
5. What do you mean by Span of management?
   The Span of Management refers to the number of subordinates who can be managed efficiently by a superior. Simply, the manager having the group of subordinates who report him directly is called as the span of management,

II. Very Short Answer Questions:
1. Write a short note about Planning.
   Planning refers to deciding in advance. Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal. Planning should take place before doing; most individual or group efforts are made by determining before any operative action takes place, what shall be done, where, how and who shall do it.
2. What is meant by Motivation?
   Motivation includes increasing the speed of performance of a work and developing a willingness on the part of workers. This is done by a resourceful leader. The workers expect, favourable climate conditions to work, fair treatment, monetary or non-monetary incentive, effective communication and gentleman approach.
3. What is meant by Controlling?
   Controlling is performed to evaluate the performance of employees and deciding increments and promotion decisions. The control function helps in identifying under performers and arranging remedial training for them. It is the control function which facilitates synchronization of actual performance with predetermined standards.
4. How do you coordinate your classroom with peace?
   Co-ordination is included in every managerial function; Eg (i) Planning and coordination, (ii) Organising and co-ordination, (iii) Staffing and co-ordination, (iv) Directing and co-ordination, (v) Motivation and co-ordination and (iv) Controlling and coordination. All the activities are divided group wise or section wise under organising function. Now, such grouped activities are co-ordinated towards the accomplishment of objectives of an organisation.
5. What is meant by Innovation?
   Innovation refers to the preparation of personnel and organisation to face the changes made in the business world.

1. Define - MBO
   MBO as, “the establishment of effective standards for managerial positions and the periodic conversion of those into measurable time bound objectives linked vertically and horizontally and with future planning” - Prof. Reddin
2. What are the objectives of MBO?
   Management by objectives is intended primarily:
   i. to measure and judge performance
   ii. to relate individual performance to organisational goals
   iii. to clarify both the job to be done and the expectations of accomplishment
   iv. to foster the increasing competence and growth of the subordinates
v. to enhance communications between superiors and subordinates
vi. to serve as a basis for judgements about salary and promotion
vii. to stimulate the subordinates’ motivation
viii. to serve as a device for organisational control and integration.

3. Bring out the meaning of MBE.
Management by exception is a style of business management that focuses on identifying and handling cases that deviate from the norm.

4. Mention any two advantages of MBO?
MBO gives the criteria of performance. It helps to take corrective action. Delegation of authority is easily done with the help of MBO.

5. Write any two importance of MBE.
i. It saves the time of managers because they deal only with exceptional matters. Routine problems are left to subordinates
ii. It focuses managerial attention on major problems. As a result, there is better utilisation of managerial talents and energy

6. What is known as KRA?
KRA stands for Key Responsibility Areas KRA indicates the strength of an organisation. The examples of KRA are profitability, market standing, innovation etc.

1. What are the components of organized sectors?
   Regulators  Financial institutions  Financial market  Financial services
2. Write a note on financial market.
   A market wherein financial instruments such as financial claims, assets and securities are traded is known as a ‘financial market’
3. What is equity market?
   Equity Market is the financial market for trading in Equity Shares of Companies
4. What is debt market?
   Debt Market is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, Corporate Debentures or Bonds)
5. How is prize decided in a secondary market?
   Financial markets allow for the determination of the price of the traded financial asset through the interaction of buyers and sellers. They provide a signal for the allocation of funds in the economy, based on the demand and supply, through the mechanism called price discovery processes

1. What is Capital Market?
   Capital market can be defined as “a market for borrowing and lending of long-term capital funds required by business enterprises”.
2. Write a note on OTCEI.
   The OTCEI was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country. It addresses some specific problems of both investors and medium-size companies. Some of the greatest strengths of OTCEI are transparency of transactions, quick deals, faster settlements and better liquidity.
3. What is Mutual Fund?
   Financial institutions that provide facilities for channeling savings of small investors into avenues of productive investments are called ‘Mutual Funds’.
4. Who are the participants in a Capital Market?
   Corporations, institutions, investment banks, and public accounting firms. Institutions invest capital in corporations that seek to expand and grow their businesses
5. How is price determined in a Capital Market?
   The price of the securities is determined based on the demand and supply prevailing in the capital market for securities

1. Define the term ‘Money Market’.
The RBI defines the money market as, “a market for short-term financial assets that are close substitutes for money facilitates the exchange of money for new financial claims in the primary market as also for financial claims, already issued, in the secondary market”.

2. What is commercial bill market?
The market for buying and selling of Commercial Bills of Exchange is known as a Commercial Bill Market

3. What is a CD market?
The market for buying and selling of CD/commercial deposit is known as CD market

4. What is Government Securities Market?
A market whereby the Government or gilt-edged securities can be bought and sold is called ‘Government Securities Market’.

5. What are the Instruments of Money Market?
   i. Treasury Bills in the Treasury Market
   ii. Money at Call and Short Notice in the Call Loan Market
   iii. Commercial Bills and Promissory Notes in the Bill Market

Now in addition to the above, the following new instruments come into existence:
   i. Commercial Papers
   ii. Certificate of Deposits
   iii. Inter-Bank participation Certificates.
   iv. Repo Instruments.

6. Explain the two oldest money markets.
   **London Money Market** is the oldest, most developed and leading Money Market in the world.
   **New York Money Market** is ranked as the second well-developed Money Market in the world next only to the London Money Market.

7. What do you meant by Auctioning?
A method of trading whereby merchants bid against one another and where the securities are sold to the highest bidder is known as ‘auctioning’.

8. What do you meant by Switching?
The purchase of one security against the sale of another security carried out by the RBI in the secondary market as part of its open market operations is described as ‘Switching’.

1. What is meant Stock Exchange?
The Indian Securities Contracts (Regulation) Act of 1956, defines Stock Exchange as, “An association, organization or body of individuals, whether incorporated or not, established for the purpose of assisting, regulating and controlling business in buying, selling and dealing in securities.”

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3. Write any 5 Stock Exchanges in India.
   1) The Bombay Stock Exchange  2) Bangalore Stock Exchange Ltd.  3) The Cochin Stock Exchange Ltd.
   4) The Madras Stock Exchange Ltd.  5) The Coimbatore Stock Exchange Ltd.

4. What is meant by Remisier?
He acts as an agent of a member of a stock exchange. He obtains business for his principal ie., the member and gets a commission for that service.

5. Who is called a Broker?
Brokers are commission agents, who act as intermediaries between buyers and sellers of securities. They do not purchase or sell securities on their behalf. They bring together the buyers and sellers and help them in making a deal. Brokers charge a commission from both the parties for their service.

6. What are the types of Speculator?
   1) BULL  2) BEAR  3) STAG  4) LAME DUCK

7. What is meant by Commodity Exchange?
A commodity exchange is an exchange where commodities are traded. Tradable commodities fall into the following categories.
8. Mention the Recent Development in Stock Exchange?
At present the structure of stock market in India has undergone a vast change due to liberalization process initiated by
the Government. A number of new structures have been added to the existing structure of the Indian Stock Exchange.
E.g – National Stock Market System (NSMS)
9. What is the stock trading time in India?
The normal trading time for equity market is between 9:15 a.m to 03:30 p.m, Monday to Friday.
The stock market in India is closed on weekends i.e. Saturday and Sunday. It is also closed on the national holidays.
10. Explain Dalal Street.
Dalal Street is an area in downtown Mumbai, India, that houses the Bombay Stock Exchange (BSE) – the largest stock
exchange in India – and other reputable financial institutions.
It received the name Dalal Street after the Bombay Stock Exchange moved to the area in 1874 and became the first
stock exchange recognized by the Indian Government
1. Write a short notes on SEBI.
Securities and exchange board of India (SEBI) is an apex body that maintains and regulates our capital market. It was
established in 1988 by Indian government but got the statutory powers in 1992. Well it plays a great role in Indian
economy such as it.
2. Write any two objectives of SEBI.
SEBI is to regulate stock exchanges. To provide security to the investors.
3. What is Demat account?
A demat account holds all the shares that are purchased in electronic or dematerialised
4. Who is a consumer?
A consumer is one who consumes goods manufactured and sold by others or created by nature and sold by others.
2. Define Consumerism.
According to L.Massie, “Consumerism is an attempt to enhance the rights and powers by buyers in relation to sellers”.
3. Give two examples of adulteration.
Chemicals, detergent chalk, urea caustic soda etc are added to make the milk dense and white. Coffee powder is
adulterated with tamarind seed.
4. What is Caveat Emptor?
Caveat emptor’ is a Latin term that means “let the buyer beware.” It means that ‘let a purchaser beware’, for he ought
not to be ignorant of the nature of the property which he is buying from another party the principle of caveat emptor
serves as a warning to the buyers that they have no recourse with the seller if the product does not meet their
expectations
5. What is Caveat Vendor?
The principle of caveat vendor, means “let the seller beware,” by which goods are covered by an implied warranty of
merchantability.
This Act came into force with effect from 15.04.1987.
This Act was further amended in 1993.
The Act is referred in short as ‘COPRA’.
The Consumer Protection Act 1986 seeks to protect and promote the interests of consumers.
The act provides safeguards to consumers against defective goods, deficient services, unfair trade practices, and other
forms of their exploitation.
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1. What is a demat account?
A demat account is to shares what a bank account is to money. Like the bank account, a demat account holds the certificates of financial instruments like shares, bonds, government securities, mutual funds and exchange traded funds (ETFs).

2. Mention the headquarters of SEBI.
SEBI has its headquarters at the business district of Bandraurla Complex in Mumbai, and has Northern, Eastern, Southern and Western Regional Offices in New Delhi, Kolkata, Chennai and Ahmedabad respectively.

3. What are the various ID proofs?
PAN card, voter's ID, passport, driver's license, bank attestation, IT returns, electricity bill, telephone bill, ID cards with applicant's photo issued by the central or state government and its departments, statutory or regulatory authorities, public sector undertakings (PSUs), scheduled commercial banks, public financial institutions, colleges affiliated to universities, or professional bodies such as ICAI, ICWAI, ICSI, bar council etc

1. Give the meaning of Human Resource.
According to Peter F. Drucker “Man, of all resources available to him, can grow and develop”

2. What is Human Resource Management?
According to Dale Yoder Human Resource Management as “the effective process of planning and directing the application, development and utilisation of human resources in employment”

3. State two features of HRM.
   i. Universally relevant
   ii. Goal oriented
   iii. A systematic approach
   iv. It is all pervasive

i. Human resource is the only factor of production that lives ii. Human resource created all other resources

5. List the functions of HRM.
I Managerial function - Planning, Organising, Directing, Controlling
II Operative function – Procurement, Development, Compensation, Retention, Integration, Maintenance

1. Give the meaning of Recruitment.
According to Edwin B. Flippo, “It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.”

2. What is promotion?
Promotion – Based on seniority and merits of the employees they are given opportunity to move up in the organisational hierarchy

3. State two benefits of internal source of recruitment.

4. Mention any two features of campus recruitment.
To identify the talented and qualified professionals before they complete their education.

It provides employment opportunities to students who are pursuing or in the final stage of completing the course.
This process reduces the time for an industry to pick the candidates according to their need

5. List the benefits of external source of recruitment.
   Increased chances:
   Fresher skill and input
   2. Qualified candidates
   3. Better competition:
   4. Lesser internal politics

1. What is selection?
   **David & Robbins**: Selection is a managerial decision making process is to predict which job applicants will be successful if hired.

2. What is an interview?
   According to Scott and others “an interview is a purpose full exchange of ideas, the answering of questions and communication between two or more persons.”

3. What is intelligence test?
   Intelligence tests are one of the psychological tests, that is designed to measure a variety of mental ability, individual capacity of a candidate.
   The main aim of these tests is to obtain an idea of the person’s intellectual potential.

4. What do you mean by test?
   A test or examination (informally, exam or evaluation) is an assessment intended to measure a test-taker's knowledge, skill, aptitude, physical fitness, or classification in many other topics. A test may be administered verbally, on paper, on a computer, or in a predetermined area that requires a test taker to demonstrate or perform a set of skills. Tests vary in style, rigor and requirements.

5. What do you understand about bio data?
   Bio data is self-reported information about an applicant’s past experiences, behaviors and feelings about specific situations. Bio data questions consist of multiple-choice items typically gathering factual, verifiable experiences and subjective, non-verifiable experiences.

6. What do you mean by placement?
   According to Dale Yoder, Placement may be defined as “the determination of the job to which an accepted candidate is to be assigned, and his assignment to that job”.

1. What is meant by training?
   According to Edwin B. Flippo” Training is the act of increasing the Knowledge and skills of an employee for doing particular jobs”.

2. What is Mentoring training method?
   Mentoring is the process of sharing knowledge and experience of an employee.
   The focus in this training is on the development of attitude of trainees.
   It is mostly used for managerial employees

3. What is Role play?
   Under this method trainees are explained the situation and assigned roles.
   They have to act out the roles assigned to them without any rehearsal.
   There are no pre-prepared dialogues.

4. State e-learning method?
   E - learning is the use of technological process to access of a traditional classroom or office.
   E - learning is also often referred to us online learning or web based training. It helps in Reducing Cost

1. What is Market?
   According to Pyle “Market includes both place and region in which buyers and sellers are in free competition with one another.”

2. Define Marketer.
   “A person whose duties include the identification of the goods and services desired by a set of consumers, as well as the marketing of those goods and services on behalf of a company”. - Business Dictionary

3. What is mean by Regulated Market?
   These are types of markets which are organised, controlled and regulated by statutory measures. **Example**: Stock Exchanges of Mumbai, Chennai, Kolkata etc.
4. Mention any four differences between Wholesale Market and Retail market?

<table>
<thead>
<tr>
<th>BASIS FOR COMPARISON</th>
<th>WHOLESALE</th>
<th>RETAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>Wholesale is a business in which goods are sold in large quantities to the retailers, industries and other businesses.</td>
<td>When the goods are sold to the final consumer in small lots, then this type of business is termed as retail.</td>
</tr>
<tr>
<td>Creates link between</td>
<td>Manufacturer and Retailer</td>
<td>Wholesaler and Customer</td>
</tr>
<tr>
<td>Price</td>
<td>Lower</td>
<td>Comparatively higher</td>
</tr>
<tr>
<td>Competition</td>
<td>Less</td>
<td>Very high</td>
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<tr>
<td>Volume of transaction</td>
<td>Large</td>
<td>Small</td>
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<tr>
<td>Capital Requirement</td>
<td>Huge</td>
<td>Little</td>
</tr>
<tr>
<td>Deals in</td>
<td>Limited products</td>
<td>Different products</td>
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<tr>
<td>Area of operation</td>
<td>Extended to various cities</td>
<td>Limited to a specific area</td>
</tr>
<tr>
<td>Art of selling</td>
<td>Not Required</td>
<td>Required</td>
</tr>
<tr>
<td>Need for advertisement</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

5. What is meant by Commodity Market?
A commodity market is a place where produced goods or consumption goods are bought and sold

Additional Questions
1. What is meant by World Market?
World market is one where the buyers and sellers of goods are from different countries, i.e. involvement of buyers and sellers beyond the boundaries of a nation
2. What is meant by future market?
- The markets where the contracts are made over the price for future delivery.
- The dealing and settlement takes place on different dates
3. What do you mean by Bullion market?
- The type of market deals with the purchase or sale of gold and silver is known as bullion market.
- Examples of bullion markets are Mumbai, Kolkata, Kanpur bullion markets.
4. What is unregulated market?
A market which is not regulated by statutory measures is called unregulated market.
This is a free market, where there is no control with regard to price, quality, commission etc. Demand and supply determine the price of goods.
1. Define Marketing Mix.
“Marketing mix is a pack of four sets of variables namely product variable, price variable, promotion variable, and place variable”. - Mr. Jerome McCarthy
2. Give any two internal factors affecting the price of product / service.
Internal Factors:
1. Marketing Objectives
2. Marketing Mix Strategy
3. Organizational considerations
4. Costs
5. Organization Objectives
3. Define Product.
“A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need” - Philip Kotler
1. What is E business?
⢑ Electronic business (e-business) via, web, internet, intranets, extranets or some combination thereof to conduct business.
⢡ If all the business transaction carried out through internet and other online tools is called E-business.
2. What is green marketing?
⢑ Green marketing implies marketing environmentally friendly products.
⢡ It refers to holistic marketing concept with growing awareness about the implications of
⢢ Global warming, non-biodegradable solid waste, harmful impact of pollutants etc.
⢢ Green marketing is also known as environmental marketing, ecological marketing
eco-friendly marketing and sustainable marketing
3. What is service marketing?
⢑ Service marketing is a specialized branch of marketing.
⢡ Service marketing denotes the processing of selling service goods like telecommunication, banking, insurance, car rentals, healthcare, tourism, professional services, repairs etc.,
⢢ The service products are mostly intangible, inseparable from service provider .
“E-marketing is achieving marketing objectives through use of digital technologies like internet, word wide web, email, wireless media and management of digital customer data and electronic customer management systems (E-CRM)”
5. What is E-Tailing?
⢑ E-tailing or electronic retailing refers to selling of goods and services through a shopping website (internet) or through virtual store to the ultimate consumer.
⢡ E-tailing is a business to consumer (B2C) transaction model.
⢢ E-tailing is also called online retailing
6. What is Social marketing?
⢑ Social marketing is a new marketing tool.
⢡ It is the systematic application of marketing philosophy and techniques to achieve specific behavioral goals which ensure social good.
⢢ It helps to eradicate social evils that affect the society and quality of life.
1. Write short notes on: “Right to be informed.”
⢢ Right to be informed Means right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices.
⢡ Consumer should insist on getting all the information about the product or service before making a choice or a decision.
This will enable him to act wisely and responsibly and also enable him to desist from falling prey to high pressure selling techniques.

2. What do you understand about “Right to Safety”?
   Right to Safety Means right to be protected against the marketing of goods and services, which are hazardous to life and property.

3. What are the rights of consumer according to John F. Kennedy?
   The Right of Safety,
   The Right to be informed,
   The Right to choose
   The Right to be heard."

4. Which is the supreme objective of business?
   Satisfaction of consumer needs/requirements is stated to be supreme objective of a business.

5. What are the important aspects to be kept in mind by consumer while purchasing goods related to the quality of goods?
   The consumer should never compromise on the quality of goods.
   The consumers must watch for ISI, Agmark, FPO, the standard quality certification marks and the like in the label.

1. What do you meant by Redressal Mechanism?
   Redressal mechanism is a management and governance related process used commonly in India.
   It covers the receipt and processing of complaints from citizens and consumers.
   It also includes the action taken on any issue raised by them to avail services more effectively.

2. What do you know about National Commission?
   The National Consumer Disputes Redressal Commission (NCDRC), India is a quasi-judicial commission in India.
   It was set up in 1988 under the Consumer Protection Act of 1986.
   Its head office is in New Delhi.
   The Commission is headed by a serving or retired judge of the Supreme Court of India.

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1. Complaint can be registered within 2 years from the date on which the cause of action has arisen, to the date on which the completion from the deficiency in service.
2. Stamp paper is not required for declaration.
3. Complaint can be registered, in person, by the complainant or through his authorized agent or by post addressed to the Redressal Agency.
4. Advocates are not necessary.

1. Define Business environment
According to Bayard O ’Wheeler Business environment is “the total of all things external to firms and industries which affect their organization and operations”.

2. What is internal environment?
- Internal environment refers to those factors within an organization.
- E.g Policies and programmes, organizational structure, employees, financial and physical resources.
- These factors can be changed or altered and hence are known as controllable factors.

3. Give the meaning of corporate governance.
- Corporate governance is a set of rules and policies which governs a company.
- It provides a framework for managing a company and achieving its objectives.
- It gives guidelines for internal control, performance measurement and corporate disclosure.
- Corporate governance lays down the rules and responsibilities of the stakeholders of a company primarily the shareholders, the directors and the management.

4. What is GST?
- GST is the indirect tax levied on goods and services across the country.
- It is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.

5. Expand VUCA.
- Volatility
- Uncertainty
- Complexity
- Ambiguity

6. What is mixed economy?
“Mixed economy is that economy in which both government and private individuals exercise economic control.” – Murad.

Mixed economy is a combination of both state owned and private sector ownership.

1. State the branches of New Economic Policy.
- Liberalization
- Privatization
- Globalization

2. What is Privatisation?
Privatisation is the incidence or process of transferring ownership of a business enterprise, agency or public service from the government to private sector.

3. Mention any three disadvantages of Liberalization.
- Loss to domestic units
- Increased dependence on foreign nations
- Unbalanced development

4. Name the industries which are reserved for Public sector.
- Mineral Oils
- Atomic Energy
- Defence aircraft and warships
- Railway transport
- Coal and lignite.

5. Give any three advantages of Globalisation.
- Increase in foreign collaboration
- Expansion of market
- Technological development

1. What is a contract of sale of goods?
Contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property (ownership) of the goods to the buyer for a price.

2. List down the essential elements of a contract of sale.
Following essential elements are necessary for a contract of sale.
1. Two Parties:
2. Transfer of Property:
3. Goods:
4. Price:
5. Includes both ‘Sale’ and ‘Agreement to Sell’

3. What is meant by goods?
The term goods includes every kind of movable property, stocks and shares, growing crops, goodwill, trademarks, copyrights, patent rights etc.

4. What is a Contingent Goods?
Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency(an event which may or may not happen).

5. What do you understand by warranty?
Warranty represents a stipulation which is collateral to the main purpose of the contract. It is of secondary importance to the contract.

1. What is meant by Negotiable Instrument?
According to section 13 of the Negotiable instruments Act 1881, a negotiable instrument means a promissory note, bill of exchange or cheque payable either to order or to bearer.

2. Define Bill of Exchange
According to section 5 of the Negotiable Instruments Act, “a bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of a certain person or to the bearer of the instrument”

3. List three characteristics of a Promissory Note.
1. A promissory note must be in writing. An oral promise to pay does not constitute a promissory note.
2. It must contain a promise or undertaking to pay a mere acknowledgement of indebtedness will not make it a promissory note.
3. The promise to pay must be unconditional
4. What is meant by a cheque?
According to section 6 of the Negotiable Instruments Act, 1881 defines a cheque as “a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand”.

5. Define Endorsement
Section 15 of the Negotiable instruments Act 1881 defines endorsement as follows:
“When the maker or holder of a negotiable instrument signs the name, otherwise that as such maker for the purpose of negotiation, on the back or face thereof, or on a slip of paper annexed thereto or so signs for the same purpose a stamped paper intended to be completed as a negotiable instrument, he is said to endorse the same and is called the endorsee”.

1. Mention any two features of entrepreneurs.

1. **Spirit of Enterprise**
Entrepreneur should be bold enough to encounter risk arising from the venture undertaken

2. **Self Confidence**
Entrepreneur should have a self confidence in order to achieve high goals in the business

2. List down the managerial functions of entrepreneurs.
(i) Planning
(ii) Organising
(iii) Directing
(iv) Controlling

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3. List down the promotional functions of entrepreneurs.
   i) Discovery of Idea
   ii) Determining the business objectives
   iii) Detailed Investigation
   iv) Choice of form of enterprise
   v) Fulfillment of the formalities
   vi) Preparation of business plan
   vii) Mobilization of funds
   viii) Procurement of machines and materials

4. Define Intrapreneur
   Intrapreneur is one who thinks and acts like an entrepreneur for the firm’s
development during the course of employment in an organisation.
   An Intrapreneur is described to be an inside entrepreneur or an entrepreneur
within a large firm who uses entrepreneurial skills without incurring the risk
associated with those activities.
   Intrapreneurs are usually employees of a company who are assigned to a
particular project or who are assigned to work on a special idea

5. List the problems faced by the women entrepreneurs
   Problem of Finance
   Limited Mobility
   Lack of Education
   Lack of Network Support
   Stiff Competition
   Sensitivity
   Lack of Information
   Dependent culture

1. What is the other name of business entrepreneur?
   Business entrepreneur is called solo entrepreneur
2. Mention the other name for corporate entrepreneur.
   Corporate entrepreneur is called promoter
3. Who are agricultural entrepreneur?
   Agricultural entrepreneurs are those entrepreneurs who raise farm products and market
them.
4. State the name of the following ventures:
   a. Started by individuals for profit motive - SOLE TRADER
   b. Started by Government - GOVERNMENT BUSINESS
   c. Started by individuals and Government together - JOINT OWNERSHIP.
   d. Started as a family business – HUF BUSINESS
5. Give some examples of pure entrepreneurs.
   Examples of pure entrepreneurs are as follow as Dhirubai Ambani, Jamshadji Tata, T.V.
   Sundaram Iyengar, Seshadriji, Birla, Narayanamurthi, Aziz premji and so on.

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1. **Who is called as Promoters?**
The person who envisage the idea is called a ‘promoter’. Section 2 (69) of the Companies Act, 2013 defines the term ‘promoter’ as under:- “Promoter” means a person—
(a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in section 92; or
(b) who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or
(c) in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act.

2. **What is Share?**
According to Section 2(84) of the Companies Act, 2013, share means share in the "Share Capital of a company and includes stock except where a distinction between stock and share is expressed or implied"

3. **What do you mean by Equity Share?**
Those shares which are not called as preference share are known as Equity share or the share of a company which do not have any preferential rights with regard to dividend and repayment of share capital at the time of liquidation of a company, is also called as ordinary share.

4. **What do you understand by Preference Share?**
Section 42 of the Companies Act, 2013 the term ‘preference shares’ mean that part of the share capital the holders of which have a preferential right over payment of dividend (fixed amount or rate) and repayment of share capital in the event of winding up of the company.

5. **What is Sweat Equity Shares?**
Sweat Equity Shares means issue of shares to employees or directors at a lower price for cash or other than Cash, in lieu of providing know-how or making available rights in the nature of intellectual property rights or any value additions.

6. **What is Bonus Shares?**
Bonus share means to utilize the company’s reserves and surpluses, issue of shares to existing shareholders without taking any consideration is known as Bonus Shares.

7. **What is Right shares?**
Right shares are the shares which are issued by the company, with the aim of increasing the subscribed share capital of the company by further issue, if it is authorized by its Articles.

8. **What is Private Placement?**
Private placement means offer of securities or invitation to subscribe to securities to a select group of persons through private placement offer letter

9. **Define Share Warrant?**
A share warrant is a negotiable instrument, issued by the public limited company only against fully paid up shares. It is also termed as a document of title because the holder of the share warrant is entitled to the number of shares mentioned in it.

10. **What is Debentures?**
According to Section 2(30) of Companies Act 2013 “debenture” includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not

1. **Who is a Secretary?**
According to Section 2(24) of the Companies Act, 2013 defines “Company Secretary” or “Secretary” means any individual possessing the prescribed qualifications, appointed to perform the duties which may be performed by a secretary under this Act and any other ministerial or administrative duties”.

2. **Define Meeting?**
A meeting is a gathering of two or more people that has been convened for the purpose of achieving a common goal through verbal interaction such as sharing information or reaching agreement.

3. **What is Resolution?**
A motion, with or without the amendments which is put to vote at a meeting and passed with the required quorum becomes resolution.

4. Write short note on ‘Proxy’?
- Proxy means a person being the representative of a shareholder at the meeting of the company who may be described as his agent to carry out which the shareholder has himself decided upon.
- Proxy can be present at the meeting and he cannot vote

5. What is Vote?
A formal indication of a choice between two or more candidates or courses of action, expressed typically through a ballot or a show of hands

III. Short answer questions:

1. Define the term management.
   “Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.”— Peter F. Drucker.

2. Is management an Art or Science?
   Management is an in-exact science, because in pure science, the principles are put into test in a laboratory and they are either proved or disproved exactly and precisely.

3. Differentiate management from Administration.

<table>
<thead>
<tr>
<th>BASIS</th>
<th>MANAGEMENT</th>
<th>ADMINISTRATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td>Middle and Lower Level</td>
<td>Top level</td>
</tr>
<tr>
<td>Role</td>
<td>Executive</td>
<td>Decisive</td>
</tr>
<tr>
<td>Concerned with</td>
<td>Policy Implementation</td>
<td>Policy Formulation</td>
</tr>
<tr>
<td>Key person</td>
<td>Manager</td>
<td>Administrator</td>
</tr>
<tr>
<td>Function</td>
<td>Executive and Governing</td>
<td>Legislative and Determinative</td>
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</tbody>
</table>

4. What are the principles of Taylor?
4. Cooperation, Not Individualism  5. Development of each and every person to his or her greatest efficiency and prosperity

5. What determines the span of management?
   i. Capacity of Superior
   ii. Capacity of Subordinates
   iii. Nature of Work
   iv. Degree of Decentralisation
   v. Degree of Planning
   vi. Communication Techniques
   vii. Use of Staff Assistance viii. Rate of Change.

1. List out the main functions of management?
   Planning, Organising, Staffing, Directing, Motivating, Controlling Co-ordination

2. State the importance of staffing.
   1. Staffing function help in discovering of qualified and obtaining competent personnel for various jobs in the organisation.
   2. Since the right person is recruited for the right jobs, it leads for maximum productivity and higher performance.
   3. It promotes optimum utilization of human resources.
   4. It increases job satisfaction and morale of the workers through adequate remuneration for each job.
5. Since the staffing helps to ensure maximum utilization of human resources exist the labour costs per unit or production will be reduced.
6. It ensures the continuity and growth of the organization, through development managers.

3. Bring out the subsidiary functions of management.
   i. Innovation,
   ii. Representation,
   iii. Decision-making, iv. Communication

4. State the importance of Motivation.
   Motivation is a very important for an organization because of the following benefits it provides:
   i. Puts human resources into action
   ii. Improves level of efficiency of employees
   iii. Leads to achievement of organizational goals
   iv. Builds friendly relationship
   v. Leads to stability of work force

5. What are the main duties of a manager?
   A manager has to act as representative of a company. Manager has dealings with customers, suppliers, government officials, banks, financial institutions, trade unions and the like. It is the duty of every manager to have good relation with others.

1. Write the features of MBO.
   1. An attempt is made by the management to integrate the goals of an organisation and individuals. This will lead to effective management.
   2. MBO tries to combine the long run goals of organisation with short run goals.
   3. Management tries to relate the organisation goals with society goals.
   4. MBO’s emphasis is not only on goals but also on effective performance.
   5. It pays constant attention to refining, modifying and improving the goals and changing the approaches to achieve the goals on the basis of experience.
   6. It increases the organisational capability of achieving goals at all levels.
   7. A high degree of motivation and satisfaction is available to employees through MBO.
   8. Recognises the participation of employees in goal setting process.
   9. Aims at replacing the exercise of authority with consultations.
   10. Encourages a climate of trust, goodwill and a will to perform

2. What are the process involved in MBO?
   1. Defining Organizational Objectives
   2. Goals of Each Section
   3. Fixing Key Result Areas
   4. Setting Subordinate Objectives or Targets
   5. Matching Resources with Objective
   6. Periodical Review Meetings
   7. Appraisal of Activities
   8. Reappraisal of Objectives

3. What are the Process of MBE?
   Primarily, it is necessary to set objectives or norms with predictable or estimated results. These performances are assessed and get equated to the actual performance. Next, the deviation gets analysed. With an insignificant or no deviation, no action is required and senior managers can concentrate on other matters. If actual performances deviates significantly, the issue needs to be passed to the senior managers, as an “exception has occurred”. Finally, the aim is to solve this “exception” immediately

4. List out any Four process of MBO.
   1. Defining Organizational Objectives
   2. Goals of Each Section
   3. Fixing Key Result Areas
   4. Setting Subordinate Objectives or Targets
   5. Matching Resources with Objective
6. Periodical Review Meetings
7. Appraisal of Activities
8. Reappraisal of Objectives

1. **What are the major advantages of MBO?**
   The advantages of MBO are explained below:
   1. Managers are involved in objectives setting at various levels of management under MBO and this commitment ensures hard work to achieve them.
   2. MBO process helps the managers to understand their role in the total organisation.
   3. Manager recognises the need for planning and appreciates the planning.
   4. MBO provides a foundation for participative management. Subordinates are also involved in goal setting.
   5. A department does not work at cross purpose with another department. In other words, each department’s objectives are consistent with the objectives of the whole organisation.
   6. Systematic evaluation of performance is made with the help of MBO.
   7. MBO gives the criteria of performance. It helps to take corrective action.
   8. Delegation of authority is easily done with the help of MBO.
   9. MBO motivates the workers by job enrichment and makes the jobs meaningful.
   10. The responsibility of a worker is fixed through MBO.
   11. Decision is taken by the management very quickly. The reason is that each worker knows the purpose of taking a decision and does not oppose the decision.

2. **What are the advantages of MBE?**
   i. It saves the time of managers because they deal only with exceptional matters. Routine problems are left to subordinates.
   ii. It focuses managerial attention on major problems. As a result, there is better utilisation of managerial talents and energy.
   iii. It facilitates delegation of authority. Top management concentrates on strategic decisions and operational decisions are left to the lower levels. There is increase in span of control. This leads to motivation and development of subordinates.
   iv. It is a technique of separating important information from unimportant one. It forces managers to review past history and study related business data for identifying deviations. There is better use of knowledge of trends, history and available business data.
   v. MBE keeps management alert to opportunities and threats by identifying critical problems. It can avoid uninformed and impulsive action.
   vi. Management by exception provides better yardsticks for judging results. It is helpful in objective performance appraisal.

3. **Explain the various disadvantages of MBO.**
   1. MBO fails to explain the philosophy; most of the executives do not know how MBO works?
      what is MBO? and why is MBO necessary? and how participants can benefit by MBO?
   2. MBO is a time consuming process. Much time is needed by senior people for framing the MBO. Next, it leads to heavy expenditure and also requires heavy paper work.
   3. MBO emphasises only on short-term objectives and does not consider the long-term objectives.
   4. The status of subordinates is necessary for proper objectives setting. But, this is not possible in the process of MBO.
   5. MBO is rigid one. Objectives should be changed according to the changed circumstances, external or internal. If it is not done, the planned results cannot be obtained.

4. **Discuss the disadvantages of MBE.**
   i. The main disadvantage of MBE is, only managers have the power over really important decisions, which can be demotivating for employees at a lower level.
   ii. Furthermore, it takes time to pass the issues to managers. Managing employees who deviate from the normal procedures. Because of compliance failures are considered difficult to manage and typically find themselves with limited job duties and ultimately dismissed/terminated.

A market wherein financial instruments such as financial claims, assets and securities are traded is known as a ‘financial market’. 

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According to Brigham, Eugene F., “The place where people and organizations wanting to borrow money are brought together with those having surplus funds is called a financial market.”

2. Differentiate spot market from future market.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Cash/Spot Market</th>
<th>Forward Or Futures Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
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<tr>
<td></td>
<td>Cash/Spot Market is a market where the delivery of the financial instrument and payment of cash occurs immediately i.e. settlement is completed immediately</td>
<td>Forward or Futures Market is a market where the delivery of asset and payment of cash takes place at a predetermined time frame in future</td>
</tr>
<tr>
<td>2</td>
<td>Time Horizon</td>
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<tr>
<td></td>
<td>Normally, trade date + 2 or 3 days (as the case may be).</td>
<td>At a specific future date</td>
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<tr>
<td>3</td>
<td>Regulation</td>
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<td></td>
<td>Exchanges and Over The Counter (OTC).</td>
<td>Exchanges.</td>
</tr>
</tbody>
</table>

3. Write a note on Secondary Market.
Secondary Market is the market for securities that are already issued. Stock Exchange is an important institution in the secondary market.

4. Bring out the scope of financial market in India.
The financial market provides financial assistance to individuals, agricultural sectors, industrial sectors, service sectors, financial institutions like banks, insurance sectors, provident funds and the government as a whole.
With the help of the financial market all the above stated individuals, institutions and the Government can get their required funds in time.
Through the financial market the institutions get their short term as well as long term financial assistance. It leads to the overall economic development.

1. What are the various kinds of Capital Market? Explain
The capital market is divided into two i.e., primary market and secondary market

**Primary Market**
Primary market is a market for new issues or new financial claims. Hence, it is also called New Issue Market. The primary market deals with those securities which are issued to the public for the first time

**Secondary Market**
Secondary Market may be defined as the market for old securities, in the sense that securities which are previously issued in the primary market are traded here
2. Explain any two functions of Capital Market.

**Development of Backward Areas**
Capital Markets provide funds for projects in backward areas. This facilitates economic development of backward areas.

**Easy Liquidity**
With the help of secondary market investors can sell off their holdings and convert them into liquid cash.

3. Write a note on National Clearance and Depository System (NCDS).

- National Clearing System which aims at determining the net cash and stock liability of each broker on a settlement date.
- National Depository System which arranges to provide for the transfer of ownership of securities in exchange on payment by book entry on electronic ledgers without any physical movement of transfer deed.

4. Discuss about evolution and growth of Indian Capital Market.

- The period between 1947 and 1973 marked the development of infrastructure for capital market.
- During this period, a network of development financial institutions such as IFCI, ICICI, IDBI and UTI, SFCs and SIDCs were established.
- These financial institutions strengthened the capital market.
- During the period between 1980 and 1992, debenture emerged as a powerful instrument of resource mobilization in the primary market.
- The public sector bonds were introduced.
- SEBI emerged as an effective regulatory body for the primary and secondary markets and afford a measure of protection to small investors.
- New financial services such as credit rating was introduced.
- A number of committees were constituted in order to suggest measures to revamp and restructure the working of the secondary market and cause buoyancy in the primary market.

5. Explain about Factoring and Venture Capital Institutions.

**Factoring Institutions**
“Factoring” is an arrangement whereby a financial institution provides financial accommodation on the basis of assignment/sale of account receivables. The factoring institutions collect the book debts for and on behalf of its clients.

**Venture Fund Institutions**
Venture capital financing is a form of equity financing designed especially for funding new and innovative project ideas. Venture capital funds bring into force the hitech technology projects which are converted into commercial production.

1. What are the features of Treasury Bills/T-bills?

Salient features of Treasury Bills
1) **Form:** T-bills are issued either in physical form as a promissory note or dematerialised form by crediting to Subsidiary General Ledger (SGL) Account.
2) **Eligibility:** Individuals, firms, companies, trust, banks, insurance companies, provident funds, state government and financial institutions are eligible to invest in treasury bills.
3) **Minimum Bid:** The minimum amount of bid is Rs. 25000 and in multiples thereof.
4) **Issue price:** T-bills are issued at a discount, but redeemed at par.
5) **Repayment:** The repayment of the bill is made at par on the maturity of the term.
6) **Availability:** Treasury bills are highly liquid negotiable instruments, that are available in both financial markets, i.e. primary and secondary.
7) **Method of the auction:** Uniform price auction method for 91 days T-bills, whereas multiple price auction method for 364 days T-bill.
8) **Day count:** The day count is 364 days, in a year, for treasury bills.

2. Who are the participants of Money Market?

1) Government of different countries
2) Central Banks
3) Private & Public Banks
4) Mutual Funds
5) Insurance Companies
6) Non-banking financial institutions
7) Other organizations (these organizations are generally at the borrowing side of the market and generally trade in Commercial Papers, Certificate of Deposits, etc.)

3. Explain the types of Treasury Bills?

1) 91 days Treasury Bills
Ninety one days Treasury Bills are issued at a fixed discount rate of 4 per cent as well as through auctions.

2) 182 days Treasury Bills
The RBI holds 91 days and 182 Treasury Bills and they are issued on tap basis throughout the week.

3) 364 days Treasury Bills
364 days Treasury Bills do not carry any fixed rate. The discount rate on these bills are quoted in auction by the participants and accepted by the authorities. Such a rate is called cut off rate.

4. What are the features of Certificate of Deposit?

Features of Certificate of Deposit
1. Document of title to time deposit
2. It is unsecured negotiable instruments.
3. It is freely transferable by endorsement and delivery.
4. It is issued at discount to face value.
5. It is repayable on a fixed date without grace days.

5. What are the types of Commercial Bill?
a. Demand and Usance Bills
b. Clean bills and documentary Bills
c. Inland bills and Foreign Bills
d. Indigenous Bills
e. Accommodation and supply Bills

1. What are the limitations of Stock exchange?
   i. Lack of uniformity and control of stock exchanges.
   ii. Absence of restriction on the membership of stock exchanges.
   iii. Failure to control unhealthy speculation.
   iv. Allowing more than one charge in the place.
   v. Non-insistence of margin requirement in stock exchange or in the case of produce exchanges.
   vi. No proper regulation of listing of securities on the stock exchange

2. Explain Bull and Bear.

BULL:
- A Bull or Tejiwala is an operator who expects a rise in prices of securities in the future.
- In anticipation of price rise he makes purchases of shares at present and other securities with the intention to sell at higher prices in future.
- He is called bull because just like a bull tends to throw his victim up in the air, the bull speculator stimulates the price to rise.
- He is an optimistic speculator.

BEAR:
- A bear or Mandiwala speculator expects prices to fall in future and sells securities at present with a view to purchase them at lower prices in future.
- A bear does not have securities at present but sells them at higher prices in anticipation that he will supply them by purchasing at lower prices in future.
- A bear usually presses its victim down to ground.
- Similarly the bear speculator tends to force down the prices of securities.
- A bear is a pessimistic speculator.

3. Explain Stag and Lame Duck.
STAG:
- A stag is a cautious speculator in the stock exchange.
- He applies for shares in new companies and expects to sell them at a premium, if he gets an allotment.
- He selects those companies whose shares are in more demand and are likely to carry a premium.
- He sells the shares before being called to pay the allotment money.
- He is also called a premium hunter.

LAME DUCK:
- When a bear finds it difficult to fulfill his commitment, he is said to be struggling like a lame duck.
- A bear speculator contracts to sell securities at a later date.
- On the appointed time he is not able to get the securities as the holders are not willing to part with them.
- In such situations, he feels concerned. Moreover, the buyer is not willing to carry over the transactions.

1. National Stock Exchange of India Limited (NSE)
2. Stock Holding Corporation of India Limited (SHCIL)
3. National Clearing and Depository System (NCDS)
4. Securities Trading Corporation of India (STCI)
5. National Securities Depositary Limited (NSDL)
6. Explain National Stock Exchange. (NSE)

NSE was incorporated in November, 1992. It is a country wide, screen based, online and order driven trading system. It uses satellite link to spread trading throughout the country thereby connecting members scattered all over the India. Through computer network, member's orders for buying and selling within prescribed price are matched by central computer with each other and instantly communicate to the trading member. NSE has two segments, i.e., Debt segment and Capital segment. It has ushered in transparent, screen based and user friendly trading of global standards. It has revolutionized stock trading in India.

1. What is meant by Dematerialization?
- Dematerialization is the process by which physical share certificates of an investor are taken back by the company/registrar and destroyed.
- Then an equivalent number of securities in the electronic form are credited to the investors account with his Depository Participant.

2. What are the documents required for a Demat account?
- PAN Card (mandatory requirement for all investors except for individuals exempted from obtaining PAN (listed in Section D))
- Aadhaar Card
- Passport size photograph
- Cancelled personalized cheque (or more than 3 months of bank statement)

3. What is the power of SEBI under Securities Contract Act?
- For effective regulation of stock exchange, the Ministry of Finance issued a Notification on 13 September, 1994 delegating several of its powers under the Securities Contracts (Regulations) Act to SEBI.
- SEBI is also empowered by the Finance Ministry to nominate three members on the Governing Body of every stock exchange.

4. What is meant by Insiders trading?
- Insider trading means the buying and selling of securities by directors Promoters, etc. who have access to some confidential information about the company and who wish to take advantage of this confidential information.

5. Draw the organization structure of SEBI.
1. Define the term Human Resource Management.
According to Dale Yoder Human Resource Management as “the effective process of planning and directing the application, development and utilisation of human resources in employment”.

2. What are the features of Human resources?
   i. Human resource is the only factor of production that lives
   ii. Human resource created all other resources
   iii. It is only the labour of employees that is hired and not the employee himself
   iv. Human resource exhibits innovation and creativity
   v. Human resource alone can think, act, analyse and interpret
   vi. Human resources are emotional beings
   vii. Human resources can be motivated either financially or non financially
   viii. The behaviour of human resources are unpredictable
   ix. Over years human resources gains value and appreciates
   x. Human resources are movable
   xi. Human resource can work as a team

3. Give two points of differences between HR and HRM.

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<thead>
<tr>
<th>S.NO</th>
<th>BASIS</th>
<th>HUMAN RESOURCE</th>
<th>HUMAN RESOURSE MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nature</td>
<td>It is a wing of HRM that keeps focusing on the growth and development part of the Organizations man power</td>
<td>It is a branch of management, which is concerned with making the best possible use of enterprise’s human resources, by providing better working conditions, to the employees</td>
</tr>
<tr>
<td>2</td>
<td>Time</td>
<td>It is not a continuous process. Depends upon the attitude of the employees it may vary.</td>
<td>It is a continuous process. The HR manager has to deal with different kind of people</td>
</tr>
</tbody>
</table>

4. What is the importance of Human resource?
   i. It is only through human resource all other resources are effectively used
   ii. The sustainable growth of an organisation depends on the important resource human resource
iii. Industrial relations depend on human resource
iv. Human relations is possible only through human resource
v. Human resource manages all other factors of production
vi. The skill sets of the Human resources can be improved through training and development programmes
vii. Human resource can be utilised at all levels of management
viii. Human resources are well protected by legislative frameworks.

5. State the functions of Human Resource Management.
I Managerial function - Planning, Organising, Directing, Controlling
II Operative function – Procurement, Development, Compensation, Retention, Integration, Maintenance

1. Define the term Recruitment.
According to Edwin B. Filpo, “It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organisation.”

2. What are the features of internal source of recruitment?
1. Improves morale:
When an employee from inside the organization is given the higher post, it helps in increasing the morale of all employees.
2. No Error in Selection:
When an employee is selected from inside, there is a least possibility of errors in selection since every company maintains complete record of its employees and can judge them in a better manner.
3. Promotes Loyalty:
It promotes loyalty among the employees as they feel secured on account of chances of advancement.
4. Give two points of differences between advertisement and unsolicited application.
   i. Advertisements – The employer can advertise in dailies, journals, magazines etc. about the vacancies in the organisation specifying the nature of work, nature of vacancy, qualification and experience required, salary offered, mode of applying and the time limit within which the candidate has to apply.
   ii. Unsolicited applicants – These are the applications of job seekers who voluntarily apply for the vacancies not yet notified by the organisations

4. What is the importance of job portals?
   1. A job portal is a website that bridges the gap between employers and job seekers.
   2. Companies can advertise their vacancies and search through applications and CVs of potential employees;
   3. Candidates can create a profile for themselves with all the necessary information and search and apply to jobs posted on the site.
   4. Also, the website itself is always easy to maneuver around. They are a simple yet effective way to advertise and look for jobs.

5. State the steps in Recruitment process.
Recruitment process includes the following steps:
   i. Planning recruitment
   ii. Determining vacancies
   iii. Identifying the sources
   iv. Drafting information for advertisement
   v. Selecting the suitable mode of advertisement
   vi. Facilitating selection process
   vii. Evaluation and control

1. What is stress interview?
   1. This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed.
   2. Interviewer deliberately creates stressful situation by directing the candidate to do irrational and irritating activities.
   3. They assess the suitability of the candidate by observing the reaction and response of the candidate to the stressful situations.
   4. Mostly this type of interview is conducted for recruiting sales representatives staff for defence and law enforcement agencies.
2. What is structured interview?
- Under this method, a series of questions to be asked by the interviewer are prepared by the interviewer and only these questions are asked in the interview.
- Ultimately, interviewees are ranked on the basis of scores earned by the candidate in the interview.

3. Name the types of selection test?

4. What do you mean by achievement test?
- This test measures a candidate's capacity to achieve in a particular field.
- The regular examination conducted in educational institutions represents an achievement test. It is also called proficiency test.
- This test is conducted before, during or after a learning experience.
- In short, it is a test conducted to find out candidate's mastery over the subject.

5. Why do you think the medical examinations of a candidate is necessary?

The main purpose of medical examination is to find out
1. Physical fitness of the candidate under selection to the job concern.
2. To protect the existing employees of business organizations from the infectious diseases likely to be spread by the candidate selected.
3. To check excessive expenditure in the treatment of selected employees after placement.

6. What is aptitude test?
- Aptitude test is a test to measure suitability of the candidates for the post/role.
- It actually measures whether the candidate possesses a set of skills required to perform a given job.
- It helps in predicting the ability and future performance of the candidate.

7. How is a panel interview conducted?
- All panel members ask different types of questions on general areas of specialization of the candidate.
- Each member awards marks to the candidate separately.
- At the end, the marks awarded by all the members are aggregated and the candidates are ranked accordingly.
- This method eliminates bias in the selection process.
- It ensures more reliability in the selection of the candidate.

8. List out the various selection interviews.
   i) Preliminary Interview
   ii) Structured/Guided/Planned Interview
   iii) Unstructured Interview
   iv) In-depth Interview
   v) Panel Interview
   vi) Stress Interview
   vii) Telephone Interview
   viii) Online Interview
   ix) Group Interview
   x) Video Conferencing Interview

9. List out the significance of placement
   i) It improves employee morale
   ii) It helps in reducing employee turnover
   iii) It helps in reducing conflict rates or accidents
   iv) It avoids misfit between the candidates and the job.
   v) It helps the candidate to work as per the predetermined objectives of the organization.
vi) It involves assigning a specific rank and responsibilities to an individual
vii) It helps to avoid short term staff shortage.

1. What is vestibule training?
Vestibule training is training of employees in an environment similar to actual work environment artificially created for training purpose. This type of training is given to avoid any damage or loss to machinery in the actual place by trainees and avoid disturbing the normal workflow in the actual workplace. It is given to Drivers, Pilots, Space Scientists etc.,

2. What do you mean by on the job Training?
On the job training refers to the training which is given to the employee at the work place by his immediate supervisor. It is based on the principle of “Learning by Doing and Learning While Earning”. On the job training is suitable for imparting skills that can be learnt in a relatively short period of time.

3. Write down various steps in a training programme.

1. Whom to Train?
Training department has to determine the candidates for whom the training should be imparted

2. Who is the Trainee?
Trainees should be selected on the basis of self-interest and recommendation by the supervisor or by the human resource department itself.

3. Who are Trainers?
Trainer is a person who teaches skills to employee and prepare them for a job activity.

4. What Method will be used for Training?
Training segment should decide the appropriate method of training among the various methods of training available

5. What should be Level the Training?
Training department should decide the level of training to be imparted to the employees.

6. Where to Conduct the Training Programme?
The venue of training and duration of training should be fixed based on the availability of other related factors

4. Write short note on trainer and trainee.

Trainee
A person who is learning and practising the skills of particular job is called trainee. Trainees should be selected on the basis of self-interest and recommendation by the supervisor or by the human resource department itself

Trainers
Trainer is a person who teaches skills to employee and prepare them for a job activity. Trainers may be supervisor, co-workers, HR staffs, specialists in the other parts of the company, outside consultants, industry association, faculty members of Educational Institutions like University etc.

1. What can be marketed in the Market?
The dynamic items that can be marketed are listed below:
vii. Properties viii. Organisations ix. Information: x. Ideas:

2. Mention any three Role of Marketer?

i. Instigator
As an instigator, marketer keenly watches the developments taking place in the market and identifies marketing opportunities emerging in the ever changing market

ii. Innovator
Marketer seeks to distinguish his products/services by adding additional features or functionalities to the existing product, modifying the pricing structure, introducing new delivery pattern, creating new business models, introducing change in production process and so on

iii. Integrator
Marketer plays a role of integrator in the sense that he collects feedback or vital inputs from channel members and consumers and provides products/service solutions to customers/consumers by co-ordinating multiple functions of organisation.

iv. Implementer
Marketer plays a role of implementer when he/she actually converts marketing opportunities into marketable product with the help of several functional teams put in place in the organisation.

3. Marketer is an innovator? Do you agree?
Marketer goes hand-in-hand with innovation, so has the ability to produce new ideas; provide better solutions; and pioneer new products. The most successful entrepreneurs are not simply the hardest working, they’re the most innovative.

Here are ten Traits of Marketer are the Most Innovators
1. They constantly look for patterns. 2. They’re brilliantly lazy. 3. They’re obsessive notetakers. 4. They preach perfection, but practice progress. 5. They’re allied with their fear as a “quirky creative genius.” 6. They don’t wait for things to break. 7. They understand the creative process. 8. They pursue multiple streams. 9. They possess a healthy arrogance. 10. They embrace paradoxical thinking.

4. Why Customer support is needed to Market?
- To exchange (barter) goods and services.
- To adjust demand and supply by price mechanism.
- To improve the quality of life of the society
- To introduce new modes of life.
- To develop product by enhancing market segment

5. Explain the types of market on the basis of time.
- **Very Short Period Market:** Markets which deal in perishable goods like, fruits, milk, vegetables etc., are called as very short period market. There is no change in the supply of goods. Price is determined on the basis of demand.
- **Short Period Market:** In certain goods, supply is adjusted to meet the demand. The demand is greater than supply. Such markets are known as Short Period Market.
- **Long Period Market:** This type of market deals in durable goods, where the goods and services are dealt for longer period usages.

6. List down the functions of Marketer?
- Gathering and Analysing market information
- Market planning
- Product Designing and development
- Standardisation and Grading
- Packaging and Labelling
- Branding
- Customer Support Services
- Pricing of Products
- Promotion and Selling
- Physical Distribution
- Transportation
- Storage and Warehousing

1. What are the objectives of marketing?
The following are the objectives of marketing:
- Intelligent and capable application of modern marketing policies.
- To develop the marketing field.
- To develop guiding policies and their implementation for a good result.
- To suggest solutions by studying the problems relating to marketing.
- To find sources for further information concerning the market problems.
- To revive existing marketing function, if shortcomings are found.
- To take appropriate actions in the course of action.

2. What is need for market and explain the concept of marketing?
**Need for market:**
- To exchange (barter) goods and services.
- To adjust demand and supply by price mechanism.
- To improve the quality of life of the society.
- To introduce new modes of life.
- To develop product by enhancing market.
The following are the points involved in the concept of marketing:

**What I can sell?** – The marketer has to decide what he/she can sell but not try to sell what they can make.

**Shall I first create products?** – The first aim of the marketer is to create a customer and not to create products.

**Shall I love my products?** – The marketer has to love the customers and not the products.

**Who is supreme in markets?** – According to this concept the customer is supreme or king of the market.

**Who will shape my decisions?** - This concept clearly describes that the customers preference shape the marketers decisions.

3. What are the factors affecting Price of Product?
Factors affecting Price of product / service

**a. Internal Factors:**

**b. External Factors:**
1. The market and demand  2. Competition  3. Customers
4. What do you mean by marketing mix? Describe any two elements.

Marketing Mix
“Marketing mix is a pack of four sets of variables namely product variable, price variable, promotion variable, and place variable”. - Mr. Jerome McCarthy

Elements of Marketing Mix
i. **Product**
Product is the main element of marketing. Without a product, there can be no marketing. “A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need”, says Philip Kotler.

ii. **Price**
Price is the value of a product expressed in monetary terms. It is the amount charged for the product. According to Philip Kotler, “Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service”.

1. What is B2B and B2C type of E-Commerce?

**B2B - Business-to-business**
Business-to-business (B2B or, in some countries, B to B) is a situation where one business makes a commercial transaction with another. This typically occurs when:
- A business is sourcing materials for their production process for output (e.g. a food manufacturer purchasing salt).
- Example: Providing raw material to the other company that will produce output.
- A business needs the services of another for operational reasons (e.g. a food manufacturer employing an accountancy firm to audit their finances).
- A business re-sells goods and services produced by others (e.g. a retailer buying the end product from the food manufacturer).

**B2C Model**
In B2C model, a business website is a place where all the transactions take place directly between a business organization and a consumer.

In the B2C model, a consumer goes to the website, selects a catalog, orders the catalog, and an email is sent to the business organization. After receiving the order, goods are dispatched to the customer. Following are the key features of the B2C model –
- Heavy advertising required to attract customers.
- High investments in terms of hardware/software.
- Support or good customer care service
2. Explain the importance of social marketing.
   - Societal Marketing is very important to society, environment, and businesses. This concept was developed in order to tackle the consumerism and profit only the motive of business.
   - The societal marketing concept helps to maximize profits for the organization and creates a long-term relationship with customers.
   - It encourages developing products that benefit society in long run and satisfies consumers.

3. Discuss the objectives E-Marketing
   - The following are the objectives of E-Marketing
     1. Expansion of market share
     2. Reduction of distribution and promotional expenses.
     3. Achieving higher brand awareness.

4. Elucidate how E-Commerce differs from E-Business.

<table>
<thead>
<tr>
<th>BASIS FOR COMPARISON</th>
<th>E-COMMERCE</th>
<th>E-BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>Trading of merchandise, over the internet is known as E-commerce.</td>
<td>Running business using the internet is known as E-business</td>
</tr>
<tr>
<td>What is it?</td>
<td>Subset</td>
<td>Superset</td>
</tr>
<tr>
<td>Is it limited to monetary transactions?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>What they carry out?</td>
<td>Commercial transactions</td>
<td>Business transactions</td>
</tr>
<tr>
<td>Approach</td>
<td>Extroverted</td>
<td>Ambiverted</td>
</tr>
<tr>
<td>Requires</td>
<td>Website</td>
<td>Website, CRM, ERP, etc.</td>
</tr>
<tr>
<td>Which network is used?</td>
<td>Internet</td>
<td>Internet, Intranet and Extranet</td>
</tr>
</tbody>
</table>

5. Explain in detail about Niche marketing.
   - Niche marketing denotes a strategy of directing all marketing efforts towards one well defined segment of the population.
   - Actually there is no market in niche market. It is found by company, by identifying the need of customers which are not served or under served by the competitors.
   - The company which identified niche market develops solution to satisfy the needs of niche market.
   - A niche market does not mean a small market, but it involves specific target audience with a specialized offering.
   - It aimed at being a big fish in a small pond instead of being a small fish in a big pond.
   - For example, The sports channels like STAR Sports, ESPN, STAR Cricket and Fox Sports target the niche market of sports enthusiasts

1. Which are the three constituent elements of business?
   - The following are the three constituent elements of the business
     - Business
     - Government
     - Consumer
2. What are the important legislations related to consumerism in India?
1) The Indian Contract Act, 1872 was passed to bind the people on the promise made in the contract.
2) The Sale of Goods Act, 1892: This Act protects consumers against sellers not complying with expressed and implied warranties in the sale contract.
3) The Essential Commodities Act, 1955 protects the consumers against artificial shortages created by the sellers by hoarding the goods and thus selling the goods at high prices in black market in respect of essential commodities.
4) The Agricultural Products Grading and Marketing Act, 1937 ensures the supply of agricultural commodities at high quality.
5) The Prevention of Food Adulteration Act, 1954 checks the adulteration of food articles and ensures purity of goods supplied and thus protects the health of consumers.
6) Weights and Measures Act, 1958 protects the consumer against malpractices of underweight or under measurement. This Act has been replaced as the Legal Metrology Act, 2009.

3. What is meant by artificial scarcity?
Artificial scarcity is the scarcity of items that exists even though when there is sufficient stock.

4. Write the importance of consumerism.
Importance of consumerism lies in
1. Awakening and uniting consumers.
2. Discouraging unfair trade practices.
3. Protecting against exploitation.
4. Awakening the government.
5. Effective implementation of consumer protection laws.
6. Providing complete and latest information.
7. Discouraging anti-social activities.

5. What is the role of Government in consumer protection?
Government should assure an active role in safeguarding the consumers.
Government both the central and the state have brought out a number of legislations to protect the interest of consumers across the country.
Despite the existence of legal system to protect the consumers, consumers in India are still illiterate and passive.
Law enforcement authorities should see that penal clause is not mere paper jawsthey should sting the offenders mercilessly.

1. What do you understand by “Right to redressal”?
Right to redressal Means right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers.
It also includes right to fair settlement of the genuine grievances of the consumer. Consumers must make complaint for their genuine grievances.
Many a times their complaint may be of small value but its impact on the society as a whole may be very large.
They can also take the help of consumer organizations in seeking redressal of their grievances.

2. Define “Consumer Rights”.
The former president of U.S.A Mr. John F. Kennedy defined the basic consumer rights as “The Right of Safety, the Right to be informed, the Right to choose and the Right to be heard.”
The definition of Consumer right is “the right to have information about the quality, potency, quantity, purity, price and standard of goods or services”.

3. What do you understand about “Right to protection of health and safety”?
There may be few products that are more likely to cause physical danger to consumers’ health, lives and property.
They may contain potentially harmful substances which are dangerous from the consumer welfare point of view.
The best examples of this kind are Food additives, colours, emulsifiers, preservatives.
The health hazards which are likely to arise have to be eradicated or reduced altogether.
In case of food items and drugs both life saving and life sustaining safety is to be guaranteed.

One thing that is encouraging to-day is that recent legislations have shifted the responsibility for the production of such unsafe items onto the shoulders of sellers rather than on buyers.

1. Is Consumer Protection necessary?
   - Yes. Protection of Consumer is a necessary event.

2. In reality, consumers are often exploited.
   - A few firms enjoy monopoly power in the market place.
   - A large majority of consumers are ignorant and illiterate and do not know their rights.
   - They are poor and there is lack of unity among them.
   - Due to these reasons, consumers are often deprived of their rights.
   - They are often exploited through misleading advertisements, poor quality goods, fractional weights and measures, overcharging, etc.
   - It is high time the government should take necessary steps for consumer protection.

2. Who are the members of the National Commission?
The National Consumer Disputes Redressal Commission has been constituted by a Notification.

1. The National Commission should have five members.
2. One should be from judiciary.
3. Four other members of ability, knowledge and experience from any other fields.
4. It should include a woman.

3. What is the Pecuniary Jurisdiction of the State Commission?
The Jurisdiction of the State Commission is as follows.

1. The State Commission can entertain complaints within the territory of entire state and where the value of the goods or services and the compensation, if any claimed exceed Rs. 20 lakhs and below Rupees One Crore.
2. The State Commission also has the jurisdiction to entertain appeals against the orders of any District Forum within the State.

4. Does District Forum exceed the claim limit of Rs. 20 lakhs? Explain the condition.
   - No, the District Forum cannot exceed the claim limit of Rs.20 lakhs.
   - If the value of the complaint exceeds the limit of Rs.20 lakhs the complaint should be made direct to the State commission.

5. Write a note on the Voluntary Consumer Organization.
   - Voluntary consumer organizations refer to the organization formed voluntarily by the consumers to protect their rights and interests.
   - The following are some of the Voluntary Consumer Organisations:
     I. The Department of Consumer Affairs(DCA)
     II. The Consumer Welfare Fund(CWF)
   - VCO’s supported through CWF provide grants for diverse projects including comparative testing of products and services and dissemination of the findings

1. Explain the natural environment of business.
The natural, geographical and ecological factors have a bearing on the business. These are as follows;

1) The availability of natural resources like minerals oil etc, since setting up of industries requires availability of raw materials
2) The weather and climatic conditions and availability of water and other natural resources is essential for the agricultural sector.
3) Topographical factors like the terrain impacts type of business since the demand and consumption pattern may vary in these regions. E.g in the the hilly region mode of transport will have to be modified to tackle the terrain.
4) Ecological factors are now gaining momentum, since the governments Investments etc. form an important part of economic environment.
5) Development of financial market The organization and development of money market, capital market securities market and, the banking system has a greater impact.

2. What are the political environment factors?

**The major elements of the legal and political environment are**

1. Political stability is reflected by the following parameters like the election system, the law and order situation, the role and structure of Military and Police force, the declaration of President’s rule, civil war etc
2. Political organization refers to the ideology and philosophy of the political parties, the government, the role and degree of authority of bureaucracy, the level of political consciousness among citizens and the funding of political parties by business houses and the clout wielded by them.
3. The image of the leader and the country in the inter-national arena.
4. Legal framework of business and their degree of flexibility.
5. The constitution of the nation.
6. The Foreign policy of the country with special reference to tariffs and free trade.

3. Write about any three internal environmental factors of business.

The major internal factors affecting business decisions are

i. **Values system:** The values of the founder/owner of the business, percolates down to the entire organization and has a profound effect on the organization. The success of an organization depends upon the sharing of value system by all members.

ii. **Vision and objectives:** The vision and objectives of a business guides its operations and strategic decisions. Example ‘Amul the taste of India’ Gujarat Co-operative Milk Marketing Federation GCMMF

iii. **Company image:** The image of an organization plays an important role in introducing new products, selecting agents and dealers for distribution, forging alliances with suppliers, expanding and entering new markets both domestic and international, raising finance etc.

4. State the framework of Corporate Governance in India.

The Indian Corporate Governance framework requires listed companies

i) To have independent directors on the board; At least one third of the directors have to be independent directors.

ii) To have at least one independent woman director,

iii) To disclose all deals and payments to related parties.

iv) To disclose details of managerial compensation

v) CEO and CFO to sign stating that the governance norms have been complied with in the financial statements.

5. What are the functions of the GST council?

The Goods and Services Tax Council shall make recommendations to the Union and the States on

a. the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax

b. the goods and services that may be subjected to, or exempted from the goods and services tax

c. model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply

d. the threshold limit of turnover below which goods and services may be exempted from goods and services tax e. the rates including floor rates with bands of goods and services tax

f. any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster
g. special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand and

h. any other matter relating to the goods and services tax, as the Council may decide.


- The future environment of business in this age of rapid technological advancement has been captured aptly in the acronym VUCA – volatility, uncertainty, complexity and ambiguity, developed in the late 80’s by the U.S military.
- It is now important for every business to meet the challenges posed by the environment in order to remain competitive.
- The uncertain conditions and situations requires a firm to be prepared to face the volatility by planning.
- The presence of complex variables impacting business should be understood and alternative measures for solving the issues should be developed.
In an VUCA environment a firm has to be forward looking anticipating the change, adaptability will remain essential for the success of any business in an ambiguous, uncertain environment.

1. What do you mean by Liberalization?
   - Liberalization refers to laws or rules being liberalized, or relaxed, by a government.
   - Liberalization means relaxation of various government restrictions in the areas of social and economic policies.
   - Liberalizing trade policy by the government includes removal of tariff, subsidies and other restrictions on the flow of goods and services between countries.
   - Liberalization is the result of New Industrial Policy which abolished the “License system” or “Licence Raj”.

2. Explain the concept of Privatisation.
   - Privatization is the incidence or process of transferring ownership of a business enterprise, agency or public service from the government to the private sector.
   - Privatisation means permitting the private sector to set up industries which were previously reserved for the public sector.
   - Under this policy many Public Sector Units (PSUs) were sold to private sector.
   - The main reason for privatisation was that PSUs were running in losses due to mismanagement and political interference.
   - The managers could not work independently and the production capacity remained under-utilized.
   - To increase competition and efficiency privatization of PSUs was inevitable.

3. What are advantages of disinvestment?
   Advantages
   (a) Increase in foreign investment:
   If a country liberalises its trade, it will make the country more attractive for inward investment
   (b) Increase the foreign exchange reserve:
   Relaxation in the regulations covering foreign investment and foreign exchange has paved way for easy access to foreign capital.
   (c) Increase in consumption:
   Liberalization increases the number of goods available for consumption within a country due to increase in production.
   (d) Control over price:
   The removal of tariff barriers can lead to lower prices for consumers. This would be particularly a benefit for countries who are importers.
   (e) Reduction in external borrowings:
   Liberalization reduces the dependence on external commercial borrowings by attracting more foreign investments.

4. State any three impacts on Globalisation.
   Impact of Globalization
   (a) Corporations got a competitive advantage from lower operating costs, and access to new raw materials and additional markets.
   (b) Multinational corporations (MNCs) can manufacture, buy and sell goods worldwide.
   (c) Globalisation has led to a boom in consumer products market.
   (d) The advent of foreign companies and growth in economy has led to job creation.
(e) Globalisation has touched every aspect of agriculture like technological advancement, improved production techniques and quality based enhancement.

5. Write a short note on New Economic Policy.
   - New economic policy refers to economic reforms in 1991 on the advice of the World bank to improve the balance of payment and to bring inflation under control.
   - LPG or Liberalization, Privatisation, and Globalisation were implemented followed several other reforms till now.
   - Liberalization aimed at abolishing industrial licensing in many industries, private and foreign banks were permitted to establish their branches, foreign investments were allowed, export duties removed etc.
   - Privatization included disinvestment in public sector and entry of private sector.
   - Globalization was the outcome of the other two policies.
   - The former Prime Minister of India Dr.Manmohan Singh is considered as the architect of Indian economic reforms who introduced the policy of Liberalization in India in 1991.

1. Explain the meaning of Agreement to sell.
   - If the property takes place at a future date or fulfillment of certain conditions, it is called as “an agreement to sell”.
   - It is a legal document that outlines the terms of a transaction.

2. Discuss in detail about existing goods.
   - Existing goods are those owned or possessed by the seller at the time of contract of sale.
   - Goods possessed even refer to sale by agents or by pledgers.

Existing goods may be either:

I. Specific Goods:
   Specific goods denote goods identified and agreed upon at the time of contract of sale.

II. Ascertained Goods:
   The term ‘ascertained goods’ is also used as similar in meaning to specific. But this term may even refer to goods which become ascertained subsequent to the formation of the contract.

III. Unascertained or generic goods
   These are goods which are not identified and agreed upon at the time of contract of sale.

3. Discuss the implied conditions and warranties in sale of goods contract.

   Implied Conditions
   The term implied conditions means conditions which can be inferred from or guessed from the context of the contract. Following are the implied conditions:
   1. Conditions as to title  2. Conditions as to Description  3. Sale by sample
   4. Conditions as to quality or fitness  5. Conditions as to merchantability
   Implied warranties are
   (1) Quiet possession (ii) Free from any encumbrances (iii) Warranty in the case of dangerous goods
   4. Discuss in detail the rights of an unpaid seller against the buyer personally

Right of an Unpaid Seller against the Buyer Personally

(i) Suite for price:
   Where the ownership in the goods has passed to the buyer and the buyer refuses to pay for the goods, the seller can file case against the buyer for the price.

(ii) Suite for Damage for Non-acceptance:
   Where the buyer wrongfully refuses to accept the goods, the seller can sue him for damages for non-acceptance of the goods.

(iii) Suite for Cancellation of the Contract before the Due Date:
   Where the buyer cancels contract before the date of delivery, the seller may either treat the contract as continuing or wait till the due date or he can file a case against buyer immediately.

(iv) Suite for Interest:
   Where there is a specific agreement between buyer and seller regarding charging interest on the price, the seller can recover interest from the buyer from the due date contract till the date of payment of purchase price.

1. Explain the nature of a Negotiable Instrument.
1. Transferability

A negotiable instrument is transferable from one person to another without any formality, such as affixing stamp, registration etc.

2. Title of the holder free from all defects

A person taking the instrument in good faith and for value is known as holder in due course. When the instrument is held by holder in due course in the process of negotiation, it is cured of all defects in the instrument with respect to ownership.

3. Right of the transferee to sue

Though a bill, a promissory note or a cheque represents a debt, the transferee is entitled to sue on the instrument in his own name in case of dishonour, without giving notice to the debtor that he has become its holder.

2. Distinguish between Negotiability and Assignability.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Basic of Difference</th>
<th>Negotiability</th>
<th>Assignability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Legal Ownership</td>
<td>It passes to the transferee by mere endorsement in the case of a bearer instrument and by endorsement and delivery in the case of an order instrument.</td>
<td>An assignment can be made by observing certain formalities. For instance, an instrument is to be made in writing, duly stamped and signed by the transferor or his agent.</td>
</tr>
<tr>
<td>2.</td>
<td>Notice</td>
<td>Notice is not necessary for the holder of negotiable instrument to claim the payment from the debtor.</td>
<td>In case of actionable claim, notice of the assignment by the transferee regarding the transfer of debt to the debtor is necessary.</td>
</tr>
<tr>
<td>3.</td>
<td>Nature of title</td>
<td>Holder of negotiable instrument in due course gets a better title than even the transferor.</td>
<td>The transferee’s title to the instrument is subject to the defects of the transferor’s title.</td>
</tr>
<tr>
<td>4.</td>
<td>Consideration</td>
<td>Consideration is presumed</td>
<td>The assignee has to prove the consideration for the transfer.</td>
</tr>
</tbody>
</table>

3. What are the characteristics of a bill of exchange?

i. A bill of exchange is a document in writing.
ii. The document must contain an order to pay.
iii. The order must be unconditional.
iv. The instrument must be signed by the person who draws it.
v. The name of the person on whom the bill is drawn must be specified in the bill itself.
vi. The amount that is required to be paid must also be specified in the bill.
vii. The bill may be payable on demand or after a specified period.
viii. It must comply with formalities regarding date, consideration, stamps etc.,
4. Distinguish between Bill of Exchange & Promissory Note

<table>
<thead>
<tr>
<th>S.No</th>
<th>Basis</th>
<th>Bill of Exchange</th>
<th>Promissory Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of Parties</td>
<td>There are three parties in a bill of exchange: drawer, drawee, and payee.</td>
<td>In a promissory note there are only two parties: maker and payee.</td>
</tr>
<tr>
<td>2</td>
<td>Drawer of the Instrument</td>
<td>A creditor draws a bill on a debtor.</td>
<td>A debtor executes a promissory note in favour of a creditor.</td>
</tr>
<tr>
<td>3</td>
<td>Bearer Instrument</td>
<td>A bill of exchange can be drawn payable to bearer.</td>
<td>A promissory note cannot be drawn payable to bearer.</td>
</tr>
<tr>
<td>4</td>
<td>Acceptance</td>
<td>A time bill must be accepted by the drawee.</td>
<td>No acceptance is necessary in the case of a promissory note.</td>
</tr>
<tr>
<td>5</td>
<td>No. of sets</td>
<td>Foreign bills are drawn in sets of three.</td>
<td>Promissory notes are not drawn so.</td>
</tr>
<tr>
<td>6</td>
<td>Conditionality</td>
<td>A bill may be accepted conditionally.</td>
<td>A note cannot be made conditional.</td>
</tr>
</tbody>
</table>

5. Discuss the two different types of crossing.

Types of Crossing
- General Crossing
- Special Crossing

GENERAL CROSSING
According to section 123 of the Negotiable Instruments Act, 1881, “Where a cheque bears across its face an addition of the words “and company” or any abbreviation thereof, between to parallel transverse lines or of two parallel transverse lines simply, either with or without the words “not negotiable” that addition shall be deemed a crossing and the cheque shall be deemed to be crossed generally”.

SPECIAL CROSSING
Section 124 defines special crossing as follows:
“Where a cheque bears across its face an addition of the name of a banker with or without the words “not negotiable”, that addition shall be deemed a crossing and the cheque shall be deemed to be crossed specially and to be crossed to that banker.

1. Define Entrepreneur
A.H. Cole, “The purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or earn profits by production and distribution of economic goods and services.”

2. Distinguish between entrepreneur and Manager.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Basis</th>
<th>Entrepreneur</th>
<th>Manager.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Motive</td>
<td>To start a venture by setting up a</td>
<td>To render service in an entity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>entity</td>
<td>setup for execution of venture</td>
</tr>
<tr>
<td>2</td>
<td>Status</td>
<td>owner of the entity</td>
<td>Manager of the entity</td>
</tr>
</tbody>
</table>
3. List down the commercial functions of Entrepreneur and explain them shortly.

The following are the commercial functions of Entrepreneur:

(i) Production or Manufacturing:
Under production function, entrepreneur has to take decision relating to selection of factory site, design and layout, type of products to be manufactured, research and development, product design etc.

(ii) Marketing:
Entrepreneur has to carry of following functions pertaining to marketing aspect namely consumer research, product planning and development, standardization, packaging, pricing, warehousing, distribution, promotion etc.

(iii) Accounting:
Entrepreneur has to arrange to prepare trading and profit and loss account in order to know the profit or loss incurred or of operation of the business and prepare balance sheet to know the financial status of business at a particular day.

(iv) Finance:
An entrepreneur has to take decisions like choosing the right type of financing, framing the best dividend policy, acquiring of funds, efficiently managing fixed and current assets, maximizing shareholders wealth and investing of funds efficiently and effectively.

(v) Human Resource Management:
Entrepreneur has to estimate the manpower needs of the enterprise and accordingly Decide the size of manpower required for various slots of organizational structure.

4. Explain the promotional functions of entrepreneur.

I. Promotional Functions

(1) Discovery of Idea
The first and foremost function of entrepreneur is idea generation. A person may conceive his own ideas or develop the ideas contributed by others. Ideas can be generated through several ways like own experience and exposure of entrepreneur, keen observation of environment, education, training, market survey, environmental scanning and so on

(2) Determining the business objectives
Entrepreneur has to develop business objectives in the backdrop of nature of business and type of business activity i.e. nature of business, manufacturing or trading, type of business organisation chosen

(3) Detailed Investigation
Entrepreneur has to analyse in detail the product proposes to produce.

(4) Choice of form of enterprise
Entrepreneur has to choose the appropriate form of organisation suited to implement the venture.

(5) Fulfilment of the formalities
Having chosen the appropriate type of organisation, entrepreneur has to take necessary steps to establish the form of organisation chosen.

(6) Preparation of Business Plan
Entrepreneur has to prepare a business plan or project report of the venture that he is proposing to take up.

7. Mobilisation of funds
Entrepreneur has to take steps to mobilise capital needed to implement the venture.

8. Procurement of Machines and Materials
Entrepreneur has to locate the various sources of supply of machineries and equipments and materials. Entrepreneur has to collect details from the various sources of supply and screen them for selecting the best source of supply.

5. Explain the commercial functions of entrepreneur.

(i) Production or Manufacturing
Under production function, entrepreneur has to take decision relating to selection of factory site, design and layout, type of products to be manufactured, research and development, product design etc.,

(ii) Marketing
Entrepreneur has to carry out following functions pertaining to marketing aspect namely consumer research, product planning and development, standardisation, packaging, pricing, warehousing, distribution, promotion etc.,

(iii) Accounting
Entrepreneur has to arrange to prepare trading and profit and loss account in order to know the profit or loss incurred out of operation of the business and prepare balance sheet to know the financial status of business at a particular day

(iv) Finance
In the sphere of financial function, an entrepreneur has to take decisions like choosing the right type of financing, framing the best dividend policy, acquiring of funds, efficiently managing fixed and current assets, maximising shareholders wealth and investing of funds efficiently and effectively.

(v) Human Resource Management
Entrepreneur has to estimate the manpower needs of the enterprise and accordingly decide the size of manpower required for various slots of organisational structure.

1. Who is a private entrepreneur?
Ventures started by individual either singly or collectively at their own risk after mobilizing various resources in order to earn profit are called Private entrepreneurship

2. What is political environment?
Political Environment is the state, government and its institutions and legislations and the public and private stakeholders who operate and interact with or influence the system.

3. List down few examples of pure entrepreneurship
- Dhirubhai Ambani,
- Jamshadji Tata,
- T.V. Sundaramlyengar,
- Seshadriji, Birla,
- Naraynamurthi,
- Aziz premji

4. How does a professional entrepreneur operate?
- Professional entrepreneur is one who is having a rich expertise in starting a venture but lack interest in continuing the venture as a manager or as a owner.
- He/she simply sells out the venture started by him to someone else after its successful take-off.
- They keep on conceiving new ideas to develop alternative projects.
- In short, these entrepreneurs have got professional expertise in starting the venture and exiting it after the establishment.

5. Explain about the agricultural entrepreneur.
- Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them.
- They use the various inputs like labour, fertilizer, insecticide, water technology etc. to raise the products and market their products either directly or through cooperative entities or through brokers or through tie up with large retailers.
- Those who raise allied products like poultry, meat, fish, honey, skin, agricultural implements, flower, silk, fruits, prawn etc., are called agricultural entrepreneur.
- In short these entrepreneurs pursue their venture in agriculture and allied sector

1. What is ‘Startup India’?
Startup India is an initiative of the Government of India. The campaign was first announced by Indian Prime Minister, Mr. Narendra Modi. Through the Startup India initiative Government of India promotes entrepreneurship by mentoring, nurturing and facilitating start-ups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. A 'Fund of Funds' has been created to help start-ups gain access to funding.

2. Expand the following: STEP, JAM, TREAD, M-SIPS, SEED and New Gen IEDC?

- **STEP**: Support to Training and Employment Programme for Women
- **JAM**: Jan Dhan-Aadhaar-Mobile
- **TREAD**: Tread related Entrepreneurship Assistance and Development
- **M-SIPS**: Modified Special Incentive Package Scheme
- **SEED**: Science for Equity Empowerment and Development
- **New Gen IEDC**: New Gen Innovation and Entrepreneurship Development Centre

3. Write a short note on the following

A. Diary Entrepreneurship development scheme:

Diary Entrepreneurship Development Scheme aims at helping entrepreneurs in the field of Agriculture, pets and animals, and social impact to set up small dairy farms. It helps to provide incentives are provided to cover the cost of the required equipment or establishment of the facility.

B. Project Report:

Project reports needs to be prepared according to the format prescribed in the loan application form of term lending institutions. An entrepreneur can get the report prepared either by technical consultancy organization or by auditors or by consultants or by development agencies. This report should cover aspects like sources of finance, technical know-how, sources of labour and raw materials, market potential and profitability.

4. What is the procedure for getting power connection for an Entrepreneurial Venture?

Entrepreneur has to make application to Assistant Divisional Engineer of State Electricity Board for Power connection after paying Security Deposit and fulfilling the official formalities prescribed.

1. Distinguish between shares and stocks.*** any 4 for 3 marks

<table>
<thead>
<tr>
<th>BASIS FOR COMPARISON</th>
<th>SHARE</th>
<th>STOCK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>The capital of a company, is divided into small units, which are commonly known as shares.</td>
<td>The conversion of the fully paid up shares of a member into a single fund is known as stock.</td>
</tr>
<tr>
<td>Is it possible for a company to make original issue?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Paid up value</td>
<td>Shares can be partly or fully paid up.</td>
<td>Stock can only be fully paid up.</td>
</tr>
<tr>
<td>Definite number</td>
<td>A share have a definite number known as distinctive number.</td>
<td>A stock does not have such number.</td>
</tr>
<tr>
<td>Fractional transfer</td>
<td>Not possible</td>
<td>Possible</td>
</tr>
<tr>
<td>Nominal value</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

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2. What do you understand by Issue of Securities at Premium?
   (i) When shares are issued at a price above the face or nominal value, they are said to be issued at a premium.
   (ii) For example, a share having the face value of Rs 10 is issued at Rs 12. Here, Rs 2 is the premium.
   (iii) The amount of share premium has to be transferred to an account called the 'Securities Premium Account'.

3. What is issue of shares at discount? What conditions should be fulfilled?
   (i) When the shares are issued at a price below the face value they are said to be issued at a discount.
   (ii) For example, a share having the face value of Rs 10 is issued at Rs 8.
   (iii) The companies act 2013, prohibits the issue of shares at discount (Section 53), except sweat Equity share.

4. State condition stipulated for capital subscription at the time of promotion.
   (i) The fulfilling formalities to raise necessary capital
   (ii) Adhering to SEBI guidelines in this regard
   (iii) Observing guidelines for Disclosure and investor protection issued by SEBI
   (iv) Issuing prospectus
   (v) Appointing official banker of the company for receiving application from the investors
   (vi) Fulfilling the condition for valid allotment by director
   (vii) Passing resolution for making allotment by director
   (viii) Despatch allotment letters to allottees
   (ix) Filing allotment return with the Registrar
   (x) Issuing share certificates in exchange for their allotment letter
   (xi) Ensuring collection of minimum subscription

5. Explain different Kinds of Preference shares.
   (i) Cumulative Preference shares: As the word indicates, all dividends are carried forward until specified, and paid out only at the end of the specified period.
   (ii) Non-cumulative Preference shares: The opposite of cumulative, obviously. Dividends are paid out of profits for every year. There are no arrears carried over a period to be paid at the end of the term
   (iii) Redeemable Preference shares: Such preference shares can be claimed after a fixed period or after giving due notice.
   (iv) Non-Redeemable Preference shares: Such shares cannot be redeemed during the lifetime of the company, but can only be obtained at the time of winding up (liquidation) of assets.
   (v) Convertible Preference shares: The shares can be converted into equity shares after a time period or as per the conditions laid down in the terms.
   (vi) Non-convertible Preference shares: Non-convertible preference shares cannot be, at any time, converted into equity shares.
   (vii) Participating Preference shares: Such shares have the right to participate in any additional profits, after paying the equity shareholders. The surplus of profit is apart from the fixed dividend paid up for preference shares.
   (viii) Non-Participating Preference shares: Non-participating preference shares do not possess any right to participate in surplus profits or any surplus gained at the time of liquidation of the company.

1. Differentiate Executive and Non-Executive Directors.
   (i) An Executive Director can be either a whole-time Director of the Company or a Managing Director.
   (ii) But a Non- Executive Director is a Director who is neither a Whole-time Director nor a Managing Director.

2. When are alternative directors appointed?
   (i) Alternate director is appointed by the Board of Directors, as a substitute to a director who may be absent from India, for a period which is not less than three months.
   (ii) The appointment must be authorised either by the Articles of Association of the company or by a passing a resolution in the General Meeting.
   (iii) The alternative director is not a representative or agent of Original Director

3. Who is a shadow director?
   A person who is not the member of Board but has some power to run it can be appointed as the director but according to his/her wish.
4. What is causal Vacancy?
It means a vacancy caused due to death, disqualification and resignation of an auditor.

5. State the minimum number of Directors for a Private company.
In case of One Person Company: The requirement of directors is one.
Other Private Companies: The minimum requirement of Directors is two.

1. What is Special Resolution?
A special resolution is the one which is passed by a not less than 75% of majority.
The number of votes, cast in favour of the resolution should be three times the number of votes cast against it.
The intention of proposing a resolution as a special resolution must be specifically mentioned in the notice of the general meeting.

2. What do you mean by Statutory Meeting?
According to Companies Act, every public company, should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company.
This is the first general meeting of the public company is called the Statutory Meeting.
This meeting is conducted only once in the lifetime of the company.
A private company or a public company having no share capital need not conduct a statutory meeting.
The company gives the circular to shareholders before 21 days of the meeting.

3. What do you understand by ‘Poll’?
Poll means tendering or offering vote by ballot to a specially appointed officer, called the polling officer.
Under the Companies Act, poll means exercising voting right in proportion to shareholder’s contribution to the paid-up capital of a limited company having a share capital.

4. Give any three cases in which an ordinary resolution need to be passed.

Ordinary Resolution is required for the following Matters
(i) To change or rectify the name of the company
(ii) To alter the share capital of the company
(iii) To redeem the debentures
(iv) To declare the dividends
(v) To approve annual accounts and balance sheet
(vi) To appoint the directors

5. What resolution is requires special notice?
The following matters require special notice before they are discussed in the meeting:-
(i) To appoint an auditor, a person other than a retiring auditor
(ii) To provide expressly that a retiring Auditor shall not be reappointed
(iii) To remove a director before the expiry of his period of office
(iv) To appoint a director in the place of a director so removed

LONG ANSWERS

IV. Long answer questions:
1. Write about the contribution of Drucker to management.
Some of the major contributions of Peter Drucker are as follows:
1. Nature of Management
2. Management Functions
3. Organization Structure
4. Federalism
5. Management by Objectives
6. Organizational Changes.

1. Nature of Management:
Drucker is against bureaucratic management and has emphasised management with creative and innovative characteristics. The basic objective of management is to read towards innovation. The concept of innovation is quite
broad. It may include development of new ideas, combining of old and new ideas, adaptation of ideas from other fields or even to act as a catalyst and encouraging others to carry out innovation.

2. **Management Functions:**
According to Drucker, management is the organ of its institution. It has no functions in itself, and no existence in itself. He sees management through its tasks. Accordingly, there are three basic functions of a manager which he must perform to enable the institution to make its contribution for:

(i) the specific purpose and mission of the institution whether business, hospital or university;
(ii) making work productive and the worker achieving; and
(iii) managing social impacts and social responsibilities.

3. **Organisation Structure:**
Drucker has decried bureaucratic structure because of its too many dysfunctional effects. Therefore, it should be replaced. He has emphasised three basic characteristics of an effective organisation structure. These are:

(i) Enterprise should be organised for performance;
(ii) it should contain the least possible number of managerial levels;
(iii) it must make possible the training and testing of tomorrow’s top manager responsibility to a manager while still he is young.

4. **Federalism:**
Drucker has advocated the concept of federalism. Federalism refers to centralized control in decentralized structure. Decentralized structure goes far beyond the delegation of authority. It creates a new constitution and new ordering principle. He has emphasised the close links between the decisions adopted by the top management on the one hand and by the autonomous unit on the other.

5. **Management by Objectives:**
Management by objectives (MBO) is regarded as one of the important contributions of Drucker to the discipline of management. He introduced this concept in 1954. MBO has further been modified by Schleh which has been termed as management by results’. MBO includes method of planning, setting standards, performance appraisal, and motivation.

6. **Organizational Changes:**
Drucker has visualised rapid changes in the society because of rapid technological development. Though he is not resistant to change, he feels concerned for the rapid changes and their impact on human life. Normally, some changes can be absorbed by the organisation but not the rapid changes.

2. Explain the management process in detail.

1. **Management is Co-Ordination:**
The manager of an enterprise must effectively coordinate all activities and resources of the organisation, namely, men, machines, materials and money the four M’s of management.

2. **Management is a Process:**
The manager achieves proper co-ordination of resources by means of the managerial functions of planning, organising, staffing, directing (or leading and motivating) and controlling.

3. **Management is a Purposive Process:**
It is directed toward the achievement of predetermined goals or objectives. Without an objective, we have no destination to reach or a path to follow to arrive at our destination, i.e., a goal, both management and organisation must be purposive or goal-oriented.

4. **Management is a Social Process:**
It is the art of getting things done through other people.

5. **Management is a Cyclical Process:**
It represents planning-action-control-re-planning cycle, i.e., an ongoing process to attain

3. Describe the principles of scientific management.
Principles of scientific management propounded by Taylor are

(I) **Science, Not Rule of Thumb**
This principle is concerned with selecting the best way of performing a job through the application of scientific analysis and not by intuition or hit and trial methods. The work assigned to any employee should be observed and analyzed with
respect to each element or part thereof and the time involved therein so as to decide the best way of performing that work and to determine the standard output for same.

(II) Harmony, Not Discord
Taylor emphasized that there should be complete harmony between the workers and the management since if there is any conflict between the two, it will not be beneficial either for the workers or the management. Both the management and the workers should realize the importance of each other. In order to achieve this state, Taylor suggested complete mental revolution on the part of both management and workers.

(III) Mental Revolution
The technique of Mental Revolution involves a change in the attitude of workers and management towards each other. Both should realize the importance of each other and should work with full cooperation.

(IV) Cooperation, Not Individualism
This principle is an extension of principle of ‘Harmony, not discord’ and lays stress on mutual cooperation between workers and the management. Cooperation, mutual confidence, sense of goodwill should prevail among both, managers as well as workers. The intention is to replace internal competition with cooperation.

(V) Development of each and every person to his or her greatest efficiency and prosperity
Efficiency of any organization also depends on the skills and capabilities of its employees to a great extent. Thus, providing training to the workers was considered essential in order to learn the best method developed through the use of scientific approach.

4. Explain the principles of modern management.
The Father of Modern Management is Mr. Henry Fayol, and according to him there are 14 major principles of management.

1. Division of Work: According to this principle the whole work is divided into small tasks. The specialization of the workforce according to the skills of a person, creating specific personal and professional development within the labour force and therefore increasing productivity; leads to specialization which increases the efficiency of labour.

2. Authority and Responsibility: This is the issue of commands followed by responsibility for their consequences. Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.

3. Discipline: It is obedience, proper conduct in relation to others, respect of authority, etc. It is essential for the smooth functioning of all organizations.

4. Unity of Command: This principle states that each subordinate should receive orders and be accountable to one and only one superior. If an employee receives orders from more than one superior, it is likely to create confusion and conflict.

5. Unity of Direction: All related activities should be put under one group, there should be one plan of action for them, and they should be under the control of one manager.

6. Subordination of Individual Interest to Mutual Interest: The management must put aside personal considerations and put company objectives firstly. Therefore the interests of goals of the organization must prevail over the personal interests of individuals.

7. Remuneration: Workers must be paid sufficiently as this is a chief motivation of employees and therefore greatly influences productivity. The quantum and methods of remuneration payable should be fair, reasonable and rewarding of effort.

8. The Degree of Centralization: The amount of power wielded with the central management depends on company size. Centralization implies the concentration of decision making authority at the top management.

9. Line of Authority/Scalar Chain: This refers to the chain of superiors ranging from top management to the lowest rank. The principle suggests that there should be a clear line of authority from top to bottom linking all managers at all levels.

10. Order: Social order ensures the fluid operation of a company through authoritative procedure. Material order ensures safety and efficiency in the workplace. Order should be acceptable and under the rules of the company.

11. Equity: Employees must be treated kindly, and justice must be enacted to ensure a just workplace. Managers should be fair and impartial when dealing with employees, giving equal attention towards all employees.

Send Your Questions & Answer Keys to our email id - padasalai.net@gmail.com
12. Stability of Tenure of Personnel: Stability of tenure of personnel is a principle stating that in order for an organization to run smoothly, personnel (especially managerial personnel) must not frequently enter and exit the organization.

13. Initiative: Using the initiative of employees can add strength and new ideas to an organization. Initiative on the part of employees is a source of strength for organization because it provides new and better ideas. Employees are likely to take greater interest in the functioning of the organization.

14. Esprit de Corps/Team Spirit: This refers to the need of managers to ensure and develop morale in the workplace; individually and communally. Team spirit helps develop an atmosphere of mutual trust and understanding. Team spirit helps to finish the task on time.

5. Discuss the implications of span of management.

The Span of Management refers to the number of subordinates who can be managed efficiently by a superior. Simply, the manager having the group of subordinates who report him directly is called as the span of management.

The Span of Management has two implications:
1. Influences the complexities of the individual manager's job
2. Determines the shape or configuration of the organization

The span of management is related to the horizontal levels of the organization structure. There is a wide and a narrow span of management. With the wider span, there will be less hierarchical levels, and thus, the organizational structure would be flatter. Whereas, with the narrow span, the hierarchical levels increase, hence the organizational structure would be tall.

1. Both these organizational structures have their advantages and disadvantages. But however the tall organizational structure imposes more challenges
2. Since the span is narrow, which means less number of subordinates under one superior, requires more managers to be employed in the organization. Thus, it would be very expensive in terms of the salaries to be paid to each senior.
3. With more levels in the hierarchy, the communication suffers drastically. It takes a lot of time to reach the appropriate points, and hence the actions get delayed.
4. Lack of coordination and control because the operating staff is far away from the top management. The major advantage of using this structure is that the cross communication gets facilitated, i.e., operative staff communicating with the top management. Also, the chance of promotion increases with the availability of several job positions.

IV. Long Answer Questions:
1. Explain the various functions of management

1. Planning
Planning refers to deciding in advance. Planning is a constructive reviewing of future needs so that present actions can be adjusted in view of the established goal. Planning should take place before doing; most individual or group efforts are made by determining before any operative action takes place, what shall be done, where, how and who shall do it.

2. Organising
Organising is the process of establishing harmonious relationship among the members of an organisation and the creation of network of relationship among them. Organising function work is assigned to employees who are given authority to carry out the work assigned and made accountable for it.

3. Staffing
Staffing function comprises the activities of selection and placement of competent personnel.

4. Directing
Directing denotes motivating, leading, guiding and communicating with subordinates on an ongoing basis in order to accomplish pre-set goals

5. Controlling
Controlling is performed to evaluate the performance of employees and deciding increments and promotion decisions

6. Co-ordination
Co-ordination is the synchronization (or unification or integration) of the actions of all individuals, working in the enterprise in different capacities;

7. Motivating
The goals are achieved with the help of motivation. Motivation includes increasing the speed of performance of a work and developing a willingness on the part of workers. This is done by a resourceful leader.
2. What are the objectives of MBO?
Management by objectives is intended primarily:

i. to measure and judge performance
ii. to relate individual performance to organisational goals
iii. to clarify both the job to be done and the expectations of accomplishment
iv. to foster the increasing competence and growth of the subordinates
v. to enhance communications between superiors and subordinates
vi. to serve as a basis for judgements about salary and promotion
vii. to stimulate the subordinates’ motivation
viii. to serve as a device for organisational control and integration.

1. Write the features of MBO.

1. An attempt is made by the management to integrate the goals of an organisation and individuals. This will lead to effective management.
2. MBO tries to combine the long run goals of organisation with short run goals.
3. Management tries to relate the organisation goals with society goals.
4. MBO’s emphasis is not only on goals but also on effective performance.
5. It pays constant attention to refining, modifying and improving the goals and changing the approaches to achieve the goals on the basis of experience.
6. It increases the organisational capability of achieving goals at all levels.
7. A high degree of motivation and satisfaction is available to employees through MBO.
8. Recognises the participation of employees in goal setting process.
9. Aims at replacing the exercise of authority with consultations.
10. Encourages a climate of trust, goodwill and a will to perform

1. What are the major advantages of MBO?
The advantages of MBO are explained below:

1. Managers are involved in objectives setting at various levels of management under MBO and this commitment ensures hard work to achieve them.
2. MBO process helps the managers to understand their role in the total organisation.
3. Manager recognises the need for planning and appreciates the planning.
4. MBO provides a foundation for participative management. Subordinates are also involved in goal setting.
5. A department does not work at cross purpose with another department. In other words, each department’s objectives are consistent with the objectives of the whole organisation.
6. Systematic evaluation of performance is made with the help of MBO.
7. MBO gives the criteria of performance. It helps to take corrective action.
8. Delegation of authority is easily done with the help of MBO.
9. MBO motivates the workers by job enrichment and makes the jobs meaningful.
10. The responsibility of a worker is fixed through MBO.
11. Decision is taken by the management very quickly. The reason is that each worker knows the purpose of taking a decision and does not oppose the decision.

2. What are the advantages of MBE?

i. It saves the time of managers because they deal only with exceptional matters. Routine problems are left to subordinates
ii. It focuses managerial attention on major problems. As a result, there is better utilisation of managerial talents and energy.
iii. It facilitates delegation of authority. Top management concentrates on strategic decisions and operational decisions are left to the lower levels. There is increase in span of control. This leads to motivation and development of subordinates.
iv. It is a technique of separating important information from unimportant one. It forces managers to review past history and study related business data for identifying deviations. There is better use of knowledge of trends, history and available business data.

v. MBE keeps management alert to opportunities and threats by identifying critical problems. It can avoid uninformed and impulsive action.

vi. Management by exception provides better yardsticks for judging results. It is helpful in objective performance appraisal.

3. Explain the various disadvantages of MBO.

1. MBO fails to explain the philosophy; most of the executives do not know how MBO works? what is MBO? and why is MBO necessary? and how participants can benefit by MBO?

2. MBO is a time consuming process. Much time is needed by senior people for framing the MBO. Next, it leads to heavy expenditure and also requires heavy paperwork.

3. MBO emphasises only on short-term objectives and does not consider the long-term objectives.

4. The status of subordinates is necessary for proper objectives setting. But, this is not possible in the process of MBO.

5. MBO is rigid one. Objectives should be changed according to the changed circumstances, external or internal. If it is not done, the planned results cannot be obtained.

IV. Long Answer Questions:

1. Distinguish between new issue market and secondary market.

<table>
<thead>
<tr>
<th>S.NO</th>
<th>BASIS FOR COMPARISON</th>
<th>NEW ISSUE MARKET</th>
<th>SECONDARY MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>The market place for new shares is called primary market. (Initial Issues Market)</td>
<td>The place where formerly issued securities are traded is known as Secondary Market. (Resale Market)</td>
</tr>
<tr>
<td>2</td>
<td>Buying</td>
<td>Direct</td>
<td>Indirect</td>
</tr>
<tr>
<td>3</td>
<td>Financing</td>
<td>It supplies funds to budding enterprises and also to existing companies for expansion and diversification</td>
<td>It does not provide funding to companies</td>
</tr>
<tr>
<td>4</td>
<td>How can securities be sold?</td>
<td>Only once</td>
<td>Multiple times</td>
</tr>
<tr>
<td>5</td>
<td>Buying and Selling between</td>
<td>Company and Investors</td>
<td>Investors</td>
</tr>
<tr>
<td>6</td>
<td>Gained person</td>
<td>Company</td>
<td>Investors</td>
</tr>
<tr>
<td>7</td>
<td>Intermediary</td>
<td>Underwriters</td>
<td>Brokers</td>
</tr>
<tr>
<td>8</td>
<td>Price</td>
<td>Fixed price</td>
<td>Fluctuates, depends on the demand and supply force</td>
</tr>
</tbody>
</table>
2. Enumerate the different kinds of financial markets.

a. On the Basis of Type of Financial Claim

(i) Debt Market is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, Corporate Debentures or Bonds)

(ii) Equity Market is the financial market for trading in Equity Shares of Companies.

b. On the Basis of Maturity of Financial Claim

(i) Money Market is the market for short term financial claim (usually one year or less) E.g. Treasury Bills, Commercial Paper, Certificates of Deposit

(ii) Capital Market is the market for long term financial claim more than a year E.g. Shares, Debentures

c. On the Basis of Time of Issue of Financial Claim

(i) Primary Market is a term used to include all the institutions that are involved in the sale of securities for the first time by the issuers (companies). Here the money from investors goes directly to the issuers.

(ii) Secondary Market is the market for securities that are already issued. Stock Exchange is an important institution in the secondary market.

d. On the Basis of Timing of Delivery of Financial Claim

(i) Cash/Spot Market is a market where the delivery of the financial instrument and payment of cash occurs immediately. i.e. settlement is completed immediately.

(ii) Forward or Futures Market is a market where the delivery of asset and payment of cash takes place at a predetermined time frame in future.

e. On the Basis of the Organizational Structure of the Financial Market

(i) Exchange Traded Market is a centralized organization (stock exchange) with standardized procedures.

(ii) Over-the-Counter Market is a decentralized market (outside the stock exchange) with customized procedures.

3. Discuss the role of financial market.

(i) Savings Mobilization

Obtaining funds from the savers or ‘surplus’ units such as household individuals, business firms, public sector units, Government is an important role played by financial markets.

(ii) Investment

Financial market plays a key role in arranging the investment of funds thus collected, in those units which are in need of the same.

(iii) National Growth

Financial markets contribute to a nation’s growth by ensuring an unfettered flow of surplus funds to deficit units. Flow of funds for productive purposes is also made possible. It leads to overall economic growth.

(iv) Entrepreneurship Growth

Financial markets contribute to the development of the entrepreneurial class by making available the necessary financial resources.

(v) Industrial Development

The different components of financial markets help an accelerated growth of industrial and economic development of a country and thus contributing to raising the standard of living and the society’s well-being.

4. What are the functions of Financial Markets?

I. Intermediary Functions

The intermediary functions of a financial market include the following:

(i) Transfer of Resources: Financial markets facilitate the transfer of real economic resource from lenders to ultimate borrowers.

(ii) Enhancing Income: Financial markets allow lenders earn interest/dividend on their surplus investible funds and thus contributing to the enhancement of the individual and the national income.

(iii) Productive Usage: Financial markets allow for the productive use of the funds borrowed and thus enhancing the income and the gross national production.

(iv) Capital Formation: Financial markets provide a channel through which new savings flow to aid capital formation of a country.
(v) **Price Determination:** Financial markets allow for the determination of the price of the traded financial asset through the interaction of buyers and sellers. They provide a signal for the allocation of funds in the economy, based on the demand and supply, through the mechanism called price discovery processes.

(vi) **Sale Mechanism:** Financial market provides a mechanism for selling of a financial asset by an investor so as to offer the benefits of marketability and liquidity of such assets.

(vii) **Information:** The activities of the participants in the financial market result in the generation and the consequent dissemination of information to the various segments of the markets, so as to reduce the cost of transaction of financial assets.

II. **Financial Functions**

The financial functions of a financial market include the following:

(i) Providing the borrowers with funds so as to enable them to carry out their investment plans

(ii) Providing the lenders with earning assets so as to enable them to earn wealth by deploying the assets in productive ventures

(iii) Providing liquidity in the market so as to facilitate trading of funds.

5. Discuss the various types of Financial markets.

   a. **On the Basis of Type of Financial Claim**

      (i) **Debt Market** is the financial market for trading in Debt Instrument (i.e. Government Bonds or Securities, Corporate Debentures or Bonds)

      (ii) **Equity Market** is the financial market for trading in Equity Shares of Companies.

   b. **On the Basis of Maturity of Financial Claim**

      (i) **Money Market** is the market for short term financial claim (usually one year or less)

      E.g. Treasury Bills, Commercial Paper, Certificates of Deposit

      (ii) **Capital Market** is the market for long term financial claim more than a year E.g. Shares, Debentures

   c. **On the Basis of Time of Issue of Financial Claim**

      (i) **Primary Market** is a term used to include all the institutions that are involved in the sale of securities for the first time by the issuers (companies). Here the money from investors goes directly to the issuers.

      (ii) **Secondary Market** is the market for securities that are already issued. Stock Exchange is an important institution in the secondary market.

   d. **On the Basis of Timing of Delivery of Financial Claim**

      (i) **Cash/Spot Market** is a market where the delivery of the financial instrument and payment of cash occurs immediately. i.e. settlement is completed immediately.

      (ii) **Forward or Futures Market** is a market where the delivery of asset and payment of cash takes place at a predetermined time frame in future.

   e. **On the Basis of Futures Structure of the Financial Market**

      (i) **Exchange Traded Market** is a centralized organization (stock exchange) with standardized procedures.

      (ii) **Over-the-Counter Market** is a decentralized market (outside the stock exchange) with customized procedures.

IV. Long Answer Questions:

1. Discuss the characters of a Capital Market.

   (i) **Securities Market**

   The dealings in a capital market are done through the securities like shares, debentures, etc. The capital market is thus called securities market.

   (ii) **Price**

   The price of the securities is determined based on the demand and supply prevailing in the capital market for securities.

   (iii) **Participants**

   There are many players in the capital market. The participants of the capital market include individuals, corporate sectors, Govt., banks and other financial institutions.

   (iv) **Location**

   Capital market is not confined to certain specific locations, although it is true that parts of the market are concentrated in certain well-known centers known as Stock Exchanges. It has its impact in the overall economy, wherever suppliers and users of capital get together and do business.

   (v) **Market for Financial Assets**
Capital market provides a transaction platform for long term financial assets.
2. Briefly explain the functions of capital market.
   (i) Savings and Capital Formation
   In capital market, various types of securities help to mobilize savings from various sectors of population (Individuals, Corporate, Govt., etc.).
   (ii) Permanent Capital
   The existence of a capital market/stock exchange enables companies to raise permanent capital.
   (iii) Industrial Growth
   It stimulates industrial growth and economic development of the country by mobilizing funds for investment in the corporate securities.
   (iv) Ready and Continuous Market
   The stock exchange provides a central convenient place where buyers and sellers can easily purchase and sell securities. Easy marketability makes investment in securities more liquid as compared to other assets.
   (v) Reliable Guide to Performance
   The capital market serves as a reliable guide to the performance and financial position of corporate, and thereby promotes efficiency.
   (vi) Proper Channelization of Funds
   The prevailing market price of a security and relative yield are the guiding factors for the people to channelize their funds in a particular company. This ensures effective utilisation of funds in the public interest.
   (vii) Provision of Variety of Services
   The financial institutions functioning in the capital market provide a variety of services such as grant of long term and medium term loans to entrepreneurs, provision of underwriting facilities, assistance in promotion of companies, participation in equity capital, giving expert advice etc.
   (viii) Development of Backward Areas
   Capital Markets provide funds for projects in backward areas. This facilitates economic development of backward areas. Long term funds are also provided for development projects in backward and rural areas.
   (ix) Foreign Capital
   Capital markets makes possible to generate foreign capital. Government has liberalized Foreign Direct Investment (FDI) in the country. This not only brings in foreign capital but also foreign technology which is important for economic development of the country.
   (x) Easy Liquidity
   With the help of secondary market investors can sell off their holdings and convert them into liquid cash. Commercial banks also allow investors to withdraw their deposits, as and when they are in need of funds 3. Explain the various types of New Financial Institutions.
   (i) Venture Fund Institutions
   Venture capital financing is a form of equity financing designed especially for funding new and innovative project ideas.
   (ii) Mutual Funds
   Financial institutions that provide facilities for channeling savings of small investors into avenues of productive investments are called 'Mutual Funds'.
   (iii) Factoring Institutions
   "Factoring" is an arrangement whereby a financial institution provides financial accommodation on the basis of assignment/sale of account receivables.
   (iv) Over the Counter Exchange of India (OTCEI)
   The OTCEI was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country.
   It addresses some specific problems of both investors and medium-size companies.
   Some of the greatest strengths of OTCEI are transparency of transactions, quick deals, faster settlements and better liquidity.
   (v) National Stock Exchange of India Limited (NSEI)
NSEI was established in 1992 to function as a model stock exchange. The Exchange aims at providing the advantage of nation-wide electronic screen based “scripless” and “floorless” trading system in securities. The institution is expected to allow for an efficient and transparent system of securities trading.

(vi) National Clearance and Depository System (NCDS)
   a. National Trade Comparison and Reporting System which prescribes the terms and conditions of contract for the securities market
   b. National Clearing System which aims at determining the net cash and stock liability of each broker on a settlement date
   c. National Depository System which arranges to provide for the transfer of ownership of securities in exchange on payment by book entry on electronic ledgers without any physical movement of transfer deed

(vii) National Securities Depositories Limited
   The NSDL was set up in the year 1996 for achieving a time bound dematerialization as well as rematerialization of shares.
   The establishment of NSDL is expected to alleviate the problems of post trade transactions in the secondary market.

(viii) Stock Holding Corporation of India Limited (SHCIL)
   Stock Holding Corporation of India Limited (SHCIL) aims at serving as a central securities depository in respect of transactions on stock exchanges.
   The Corporation also takes up the administration of clearing functions at a national level.

IV. Long Answer Questions:

   The RBI defines the money market as, “a market for short-term financial assets that are close substitutes for money facilitates the exchange of money for new financial claims in the primary market as also for financial claims, already issued, in the secondary market”.
   According to Arun K. Datta, capital market may be defined as “a complex of institutions investment and practices with established links between the demand for and supply of different types of capital gains”.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Features</th>
<th>Money Market</th>
<th>Capital Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Availability of Instruments</td>
<td>Money Market instruments generally do not have secondary market</td>
<td>Capital market instruments generally have secondary markets</td>
</tr>
<tr>
<td>2</td>
<td>Subdivision</td>
<td>In money market there is no such subdivision</td>
<td>In capital market there is a division of primary market and secondary market.</td>
</tr>
<tr>
<td>3</td>
<td>Place of Transaction</td>
<td>Transactions mostly take place over the phone and there is no formal place</td>
<td>Transactions take place at a formal place. Eg. stock exchange</td>
</tr>
<tr>
<td>4</td>
<td>Claims</td>
<td>Financial claims, assets and securities are dealt in the Money Market.</td>
<td>Bonds and shares are dealt in the Capital Market</td>
</tr>
<tr>
<td>5</td>
<td>Risk</td>
<td>Low credit and market risk.</td>
<td>High credit and market risk.</td>
</tr>
</tbody>
</table>

2. Explain the characteristics of Money Market?
   1. Short-term Funds
      It is a market purely for short-term funds or financial assets called near money.
   2. Maturity Period
It deals with financial assets having a maturity period up to one year only.

3. Conversion of Cash
It deals with only those assets which can be converted into cash readily without loss and with minimum transaction cost.

4. No Formal Place
Generally, transactions take place through phone, i.e., oral communication. Relevant documents and written communications can be exchanged subsequently. There is no formal place like stock exchange as in the case of a capital market.

5. Sub-markets
It is not a single homogeneous market. It comprises of several sub-markets each specialising in a particular type of financing. E.g., Call Money Market, Acceptance Market, Bill Market.

11. Flexibility
Due to greater flexibility in the regulatory framework, there are constant endeavours for introducing new instruments.

3. Explain the Instruments of Money Market?

**Treasury Bill Market**
A market for the purchase and sale of Treasury Bills is known as a “Treasury Bills Market”.

**Certificate of Deposits**
Certificate of Deposits are short-term deposit instruments issued by banks and financial institutions to raise large sums of money. Certificate of Deposits are issued in the form of usance promissory notes. They are easily convertible in nature and are in marketable form having particular face value and maturity.

**Commercial Bills**
The Commercial Bill is an instrument drawn by a seller of goods on a buyer of goods. It possesses the advantages like self-liquidating in nature, recourse to two parties, knowing exact date of transactions, transparency of transactions etc.,

**Government or Gilt-Edged Securities**
Government securities are issued for the purposes of refunding the maturing securities, for advance refunding securities, which have not yet matured and for cash financing, i.e., raising fresh cash resources.

4. Explain the features and types of Commercial Bills?

**Features**
The features of the Commercial Bills are as follows:

**Types**

a. Demand and Usance Bills
A demand bill is one wherein no specific time of payment is mentioned. So, demand bills are payable immediately when they are presented to the drawee.

b. Clean bills and documentary Bills
Bills that are accompanied by documents of title to goods are called documentary bills. Clean bills are drawn without accompanying any document. E.g. Railway Receipt and Lorry Receipt

c. Inland bills and Foreign Bills
Bills that are drawn and payable in India on a person who is resident in India are called inland bills. Bills that are drawn outside India and are payable either in India or outside India are called foreign bills.

d. Indigenous Bills
The drawing and acceptance of indigenous bills are governed by native custom or usage of trade.

e. Accommodation and supply Bills
Accommodation bills are those which do not arise out of genuine trade of transactions.

5. What are the features of Government Securities?

1. Agencies
Government securities are issued by agencies such as Central Government, State Governments, semi-government authorities like local Government authorities, e.g. municipalities, autonomous institution such as metropolitan authorities, port trusts etc.,

2. RBI Special Role
RBI takes a special and an active role in the purchase and sale of these securities as part of its monetary management exercise.

3. Nature of Securities
Securities offer a safe avenue of investment through guaranteed payment of interest and repayment of principal by the Government.

4. Liquidity Profile
The liquidity profile of gilt-edged securities varies. Accordingly liquidity profile of securities issued by Central Government is high.

5. Tax Rebate
A striking feature of these securities is that they offer wide-range of tax incentives to investors. This has made these securities very popular for this benefit.

IV. Long Answer Questions:
1. Explain the functions of Stock Exchange. (Any 5)

1. Ready and Continuous Market
Stock Exchange is, in fact, a market for existing securities. If an investor wants to sell his securities, he can easily and quickly dispose them off on a stock exchange.

2. Correct Evaluation of Securities
The prices at which securities are bought and sold are recorded and made public. These prices are called “market quotations”. One can easily evaluate the worth of one’s securities on the basis of these quotations. The lender can easily assess the worth of security offered for loan.

3. Protection to Investors
All dealings in a stock exchange are in accordance with well-defined rules and regulations. stock exchange provides reasonable measure of safety and fair dealing in buying and selling of securities.

4. Proper Chanalisation of Capital
People like to invest in the shares of such companies which yield good profits. The savings of individuals are directed towards promising companies which declare good dividends over a period of time.

5. Aid to Capital Formation
The publicity which the stock exchange gives to various industrial securities and their prices and the facilities provided by it for their purchase and sale induce people to save and invest. Stock exchanges thus ensure a steady flow of capital into industry and assists industrial development.

2. Explain the features of Stock Exchange. (Any 5)

1. Market for Securities
Stock exchange is a market, where securities of corporate bodies, government and semigovernment bodies are bought and sold.

2. Deals in Second Hand Securities
It deals with shares, debentures bonds and such securities already issued by the companies. In short, it deals with existing or second hand securities and hence it is called secondary market.

3. Regulates Trade in Securities
It regulates the trade activities so as to ensure free and fair trade

4. Recognition from Central Government
Stock exchange is an organised market. It requires recognition from the Central Government.

5 Working as per Rules
Buying and selling transactions in securities at the stock exchange are governed by the rules and regulations of stock exchange as well as SEBI Guidelines. No deviation from the rules and guidelines is allowed in any case.

3. Explain the Benefits of Stock Exchange. *** maximum 7/10 headings with explanation enough

A. Benefits to the Community
i. Economic Development
It accelerates the economic development by ensuring steady flow of savings into productive purposes.

ii. Fund Raising Platform
It enables the well-managed, profit-making companies to raise limitless funds by fresh issue of shares from time to time.

iii. Tools to Divert Resources
Scarc resources are thus diverted to efficiently run enterprises for better utilization.

iv. Capital Formation
It encourages capital formation

**B. Benefits to the Company**

i. **Enhances Goodwill or Reputation**
   Companies whose shares are quoted on a stock exchange enjoy greater goodwill and credit standing.

ii. **Wide Market**
   There is a wide and ready market for such securities.

iii. **Raises huge funds**
   Stock Exchange can raise huge funds easily by issue of shares and debentures.

iv. **Increases bargaining strength**
   Companies whose shares rise in the stock exchange command higher bargaining power in the event of further expansion, merger or amalgamation.

**C. Benefits to Investors**

i. **Liquidity**
   Stock exchange helps an investor to convert his shares into cash quickly and thus increases the liquidity of his investments.

ii. **Adding collateral value of security**
   The fact that a security is dealt on a stock exchange makes it a good collateral security for obtaining loan from banks.

iii. **Investor protection**
   The stock exchange safeguards investor's interest and ensures fair dealing by strictly enforcing its rules and regulations.

iv. **Assessing real worth of security**
   An investor can easily assess the real worth of securities in his hands, as market quotations are published daily in the newspapers and in websites.

v. **Mechanism to trade security**
   Stock Exchange provides a mechanism by which purchase and sale of listed securities take place in a matter of few minutes.

4. **Distinguish between Stock Exchange and Commodity Exchange.**

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Feature</th>
<th>Stock Exchange</th>
<th>Commodity Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Meaning</td>
<td>Stock Exchange is an organized market for the purchase and sale of industrial and financial security. It is convenient place where trading insecurities is conducted in a systematic manner i.e. as per certain rules and regulations.</td>
<td>A commodity exchange is an exchange where commodities are traded. Tradable commodities fall into the following categories. Metals (e.g. gold, silver, copper) Energy (e.g. crude oil, natural gas) Agricultural (e.g. rice, wheat, cocoa) Livestock and meat (e.g. live cattle, lean hog)</td>
</tr>
<tr>
<td>2.</td>
<td>Function</td>
<td>Providing easy marketability</td>
<td>Offering hedging or price insurance services and liquidity to securities</td>
</tr>
<tr>
<td>3.</td>
<td>Object</td>
<td>Object is facilitating capital formation and making best use of capital resources</td>
<td>Object is facilitating goods flow through risk reduction</td>
</tr>
<tr>
<td>4.</td>
<td>Participants</td>
<td>Investors and Speculators</td>
<td>Producers, dealers, traders and a body of speculators</td>
</tr>
<tr>
<td>5.</td>
<td>Period of dealings</td>
<td>Cash, ready delivery and dealings for instant cash dealings and a settlement period of 2 or 3 months for Future Market</td>
<td></td>
</tr>
</tbody>
</table>

Send Your Questions & Answer Keys to our email id - padasalai.net@gmail.com
5. Explain Lombard street and Wall street.

Lombard Street
Lombard Street, London, is a street notable for its connections with the City of London's merchant, banking and insurance industries, stretching back to medieval times. From Bank junction, where nine streets converge by the Bank of England, Lombard Street runs southeast for a short distance before bearing left into a more easterly direction, and terminates at a junction with Grace church Street and Fenchurch Street. Its overall length is 260 metres. It has often been compared with Wall Street in New York City.

Wall Street
Wall Street is a street in lower Manhattan that is the original home of the New York Stock Exchange and the historic headquarters of the largest U.S. brokerages and investment banks. The term Wall Street is also used as a collective name for the financial and investment community, which includes stock exchanges and large banks, brokerages, securities and underwriting firms, and big businesses. Today, brokerages are geographically diverse, allowing investors free access to the same information available to Wall Street's tycoons.

IV. Long Answer Questions:
1. What are the functions of SEBI? * Any 10 enough
   i. Safeguarding the interests of investors by means of adequate education and guidance.
   ii. Regulating and controlling the business on stock markets.
   iii. Conduct inspection and inquiries of stock exchanges, intermediaries and self-regulating organizations and to take appropriate measures wherever required.
   iv. Barring insider trading in securities.
   v. Prohibiting deceptive and unfair methods used by financial intermediaries operating in securities markets.
   vi. Registering and controlling the functioning of stock brokers, sub-brokers, share transfer agents, bankers, trustees, registrars, merchant bankers, underwriters, portfolio managers, investment advisers and various other intermediaries who might be linked to securities markets in any manner.
   vii. SEBI issues Guidelines and Instructions to businesses concerning capital issues.
   viii. SEBI regulates mergers and acquisitions as a way to protect the interest of investors.
   ix. Registering and controlling the functioning of collective investment schemes such as mutual funds.
   x. Promoting self-regulatory organization of intermediaries. It has extensive legal powers.
   xi. Carrying out steps in order to develop the capital markets by having an accommodating approach.
   xii. Provide appropriate training to financial intermediaries.
   xiii. Levying fee or any other type of charges to carry out the purpose of the Act.
   xiv. Performing functions that may be assigned to it by the Central Government of India.

2. Explain the powers of SEBI.
1. Powers Relating to Stock Exchanges & Intermediaries
   SEBI has wide powers regarding the stock exchanges and intermediaries dealing in securities. It can ask information from the stock exchanges and intermediaries regarding their business transactions for inspection or scrutiny and other purpose.

2. Power to Impose Monetary Penalties
   SEBI has been empowered to impose monetary penalties on capital market intermediaries and other participants for a range of violations. It can even impose suspension of their registration for a short period.

3. Power to Initiate Actions in Functions Assigned
   SEBI has a power to initiate actions in regard to functions assigned. For example, it can issue guidelines to different intermediaries or can introduce specific rules for the protection of interests of investors.

4. Power to Regulate Insider Trading
   SEBI has power to regulate insider trading or can regulate the functions of merchant bankers.
5. Powers Under Securities Contracts Act
For effective regulation of stock exchange, the Ministry of Finance issued a Notification on 13 September, 1994 delegating several of its powers under the Securities Contracts (Regulations) Act to SEBI. SEBI is also empowered by the Finance Ministry to nominate three members on the Governing Body of every stock exchange.

6. Power to Regulate Business of Stock Exchanges
SEBI is also empowered to regulate the business of stock exchanges, intermediaries associated with the securities market as well as mutual funds, fraudulent and unfair trade practices relating to securities and regulation of acquisition of shares and takeovers of companies.

3. What are the benefits of Dematerialisation?
   i. The risks pertaining to physical certificates like loss, theft, forgery and damage are eliminated completely with a DEMAT account.
   ii. The lack of paperwork enables quicker transactions and higher efficiency in trading.
   iii. Trading has become more convenient as one can trade through computers at any location, without the need of visiting a broker.
   iv. The shares that are created through mergers and consolidation of companies are credited automatically in the DEMAT account.
   v. As all the transactions occur through the depository participant, a trader does not have to communicate individually with each and every company.
   vi. There is no need for stamp duty for transfer of securities; this brings down the cost of transaction significantly.
   vii. Certain banks also permit holding of both equity and debt securities in a single account.
   viii. Banks also provide dedicated and trained customer care officers to assist through all the procedures.
   ix. A DEMAT account holder can buy or sell any amount of shares. However, there is a limit on the number of transactions done using physical securities.
   x. One can also choose to take a loan against securities which are held in a DEMAT account by offering it as a collateral to the lender.

IV. Long Answer Questions:
1. Explain the unique features of Human Resource.
   i. It is only through human resource all other resources are effectively used
   ii. The sustainable growth of an organisation depends on the important resource human resource
   iii. Industrial relations depend on human resource
   iv. Human relations is possible only through human resource
   v. Human resource manages all other factors of production
   vi. The skill sets of the Human resources can be improved through training and development programmes
   vii. Human resource can be utilised at all levels of management
   viii. Human resources are well protected by legislative frameworks.

2. Describe the significance of Human Resource Management.
   i. To identify manpower needs: Determination of manpower needs in an organization is very important as it is a form of investment. The number of men required are to be identified accurately to optimise the cost.
   ii. To incorporate change: Change is constant in any organisation and this change has to be introduced in such a way that the human resource management acts as an agent to make the change effective.
   iii. To ensure the correct requirement of manpower: At any time the organization should not suffer from shortage or surplus manpower which is made possible through human resource management.
   iv. To select right man for right job: Human resource management ensures the right talent available for the right job, so that no employee is either under qualified or over qualified.
   v. To update the skill and knowledge: Managing human resource plays a significant role in the process of employee skill and knowledge enhancement to enable the employees to remain up to date through training and development programmes.
   vi. To appraise the performance of employees: Periodical appraisal of performance of employees through human resource management activities boosts up good performers and motivates slow performers. It helps the workforce to identify their level of performance.

Managerial Functions
i. Planning – Planning is deciding in advance what to do, how to do and who is to do it. It bridges the gap between where we are and where we want to go. It helps in the systematic operation of business. It involves determination objectives, policies, procedures, rules, strategies, programmes and budgets. It ensures maintenance of correct number of employees to carry out activities and also to formulate timely employee policies.

ii. Organising – It includes division of work among employees by assigning each employee their duties, delegation of authority as required and creation of accountability to make employees responsible.

iii. Directing – It involves issue of orders and instructions along with supervision, guidance and motivation to get the best out of employees. This reduces waste of time energy and money and early attainment of organisational objectives.

iv. Controlling – It is comparing the actual with the standards and to check whether activities are going on as per plan and rectify deviations. The control process includes fixing of standards, measuring actual performance, comparing actual with standard laid down, measuring deviations and taking corrective actions. This is made possible through observation, supervision, reports, records and audit.

4. Differentiate HR from HRM.

Human resources Human Resource Management
Human resources is used to describe both the people who work for a company or organization and the department responsible for managing resources related to employees. HR management is a management function that helps managers recruit, select, train and develop employee for an organization.

Human Resource (HR) is a wing of HRM that keeps focusing on the growth and development part of the organisation's manpower

Human Resource Management (HRM) is a branch of management; that is concerned with making best possible use of the enterprise's human resources, by providing better working conditions, to the employees. Human resource exhibits innovation and creativity HRM is a strategic function HRM has universal relevance.

HR alone can think, act, analyse and interpret. It is development oriented. It provides space for employee involvement, performance and growth.

5. Discuss the Operating functions HRM.

Operating Functions

i. Procurement – Acquisition deals with job analysis, human resource planning, recruitment, selection, placement, transfer and promotion

ii. Development – Development includes performance appraisal, training, executive development, career planning and development, organisational development

iii. Compensation – It deals with job evaluation, wage and salary administration, incentives, bonus, fringe benefits and social security schemes

iv. Retention – This is made possible through health and safety, welfare, social security, job satisfaction and quality of work life

v. Integration – It is concerned with the those activities that aim to bring about reconciliation between personal interest and organisational interest

vi. Maintenance – This encourages employees to work with job satisfaction, reducing labour turnover, accounting for human resource and carrying out audit and research

IV. Long Answer Questions:

1. Explain the different methods of recruitment.

Recruitment methods refer to the means by which an organization reaches to the potential job seekers. In other words, these are ways of establishing contacts with the potential candidates. It is important to mention that the recruitment methods are different from the sources of recruitment.

These are:

1. Direct Method
2. Indirect Method
3. Third Party Method.

1. Direct Method:

In this method, the representatives of the organization are sent to the potential candidates in the educational and training institutes. They establish contacts with the candidates seeking jobs. These representatives work in cooperation with placement cells in the institutions. Persons pursuing management; engineering, medical etc. programmes are mostly picked up in this manner.

2. Indirect Methods:
Indirect methods include advertisements in newspapers, on the radio and television, in professional journals, technical magazines etc. This method is useful when:
(i) Organization does not find suitable candidates to be promoted to fill up the higher posts
(ii) When the organization wants to reach out to a vast territory, and
(iii) When organization wants to fill up scientific, professional and technical posts.

3. Third Party Methods:
These include the use of private employment agencies, management consultants, professional bodies/associations, employee referral/recommendations, voluntary organizations, trade unions, data banks, labour contractors etc., to establish contact with the job seekers.

2. Describe the significance of External source of recruitment.

1. Improves morale:
When an employee from inside the organisation is given the higher post, it helps in increasing the morale of all employees. Generally every employee expects promotion to a higher post carrying more status and pay (if he fulfills the other requirements).

2. No Error in Selection:
When an employee is selected from inside, there is a least possibility of errors in selection since every company maintains complete record of its employees and can judge them in a better manner.

3. Promotes Loyalty:
It promotes loyalty among the employees as they feel secured on account of chances of advancement.

4. No Hasty Decision:
The chances of hasty decisions are completely eliminated as the existing employees are well tried and can be relied upon.

5. Economy in Training Costs:
The existing employees are fully aware of the operating procedures and policies of the organisation. The existing employees require little training and it brings economy in training costs.

6. Self-Development:
It encourages self-development among the employees as they can look forward to occupy higher posts.

3. Elaborate on the factors affecting recruitment.

Factors affecting recruitment:
There are a number of factors that affect recruitment. These are broadly classified into two categories:
1. Internal Factors
2. External Factors

1. Internal Factors:
The internal factors also called endogenous factors are the factors within the organisation that affect recruiting personnel in the organisation. Some of these are mentioned here.

a. Size of the Organisation:
The size of an organisation affects the recruitment process. Experience suggests that larger organisations find recruitment less problematic than organisations with smaller in size.

b. Recruiting Policy:
The recruiting policy of the organisation i.e., recruiting from internal sources (from own employees) and from external sources (from outside the organisation) also affects recruitment process. Generally, recruiting through internal sourcing is preferred, because own employees know the organisation and they can well fit into the organisation’s culture.

c. Image of Organisation:
Image of organisation is another internal factor having its influence on the recruitment process of the organisation. Good image of the organisation earned by a number of overt and covert actions by management helps attract potential and competent candidates.

Manage-rial actions like good public relations, rendering public services like building roads, public parks, hospitals and schools help earn image or goodwill for the organisation. That is why blue chip companies attract large number of applications.

d. Image of Job:
Just as image of organisation affects recruitment so does the image of a job also. Better remuneration and working conditions are considered the characteristics of good image of a job. Besides, promotion and career development policies of organisation also attract potential candidates.

2. External Factors:
Like internal factors, there are some factors external to organisation which has their influence on recruitment process.

a. Demographic Factors:
As demographic factors are intimately related to human beings, i.e., employees, these have profound influence on recruitment process. Demographic factors include sex, age, literacy, economic status etc.

b. Labour Market:
Labour market conditions i.e., supply and demand of labour is of particular importance in affecting recruitment process.

c. Unemployment Situation:
The rate unemployment is yet another external factor having its influence on the recruitment process. When the unemployment rate in a given area is high, the recruitment process tends to be simpler. The reason is not difficult to seek.

d. Labour Laws:
There are several labour laws and regulations passed by the Central and State Governments that govern different types of employment. These cover working conditions, compensation, retirement benefits, and safety and health of employees in industrial undertakings.

Child Labour (Prohibition and Regulation) Act, 1986, for example, prohibits employment of children in certain occupations. Similarly, several other acts such as Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, the Apprentices Act, 1961; the Factory Act, 1948 and the Mines Act, 1952 deal with recruitment.

e. Legal Considerations:
Another external factor is legal considerations with regard to employment. Reservation of jobs for the scheduled castes, scheduled tribes, and other backward classes (OBCs) is the popular example of such legal consideration. The Supreme Court of India has given its verdict in favour of 50 per cent of jobs and seats. This is so in case of admissions in the educational institutions also.

4. Differentiate Recruitment and Selection.

<table>
<thead>
<tr>
<th>BASIS FOR COMPARISON</th>
<th>RECRUITMENT</th>
<th>SELECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>Recruitment is an activity of searching candidates and encouraging them apply for it.</td>
<td>Selection refers to the process of selecting the best candidates and offering them job.</td>
</tr>
<tr>
<td>Approach</td>
<td>Positive</td>
<td>Negative</td>
</tr>
<tr>
<td>Objective</td>
<td>Inviting more and more candidates to apply for the vacant post.</td>
<td>Picking up the most suitable candidate and rejecting the rest.</td>
</tr>
<tr>
<td>Key Factor</td>
<td>Advertising the job</td>
<td>Appointment of the candidate</td>
</tr>
<tr>
<td>Sequence</td>
<td>First</td>
<td>Second</td>
</tr>
<tr>
<td>Method</td>
<td>Economical</td>
<td>Expensive</td>
</tr>
</tbody>
</table>

5. Discuss the importance of Recruitment.
I. Attract and encourage a good number of candidates to apply for the organizational vacancies.
II. Create a talent pool of prospective candidates that enables the selection of best candidates to suit for the organisational need.
III. Determine present and future organisational requirement taking into consideration of personnel planning and job analysis activities.
IV. Links the employers with the potential employees.
V. Increase potential candidates’ pool at less cost.
VI. Increases success rate of selection process by reducing the number of under qualified or overqualified job applicants.

VII. Reduce the probability of leaving the organisation only after a short period of time, once recruited and selected.

VIII. Meet the organizations’ legal and social obligations maintaining its workforce composition.

IX. Determine the appropriateness of the candidates by identifying and preparing potential job applicants.

X. Increase organizational and individual effectiveness regarding application of various recruitment techniques and tapping different sources of recruitment concerned.

IV. Long answer questions:

1. Briefly explain the various types of tests

   ![Selection Test Diagram]

   A) Ability Test
   This test is used to find the suitability of a candidate for a given job role.

   1. Aptitude test
   Aptitude test is a test to measure suitability of the candidates for the post/role. It actually measures whether the candidate possess a set of skills required to perform a given job.

      i) Numerical Reasoning Test
      Numerical reasoning test provides information about candidate’s numerical aptitude

      ii) Verbal Reasoning Test
      It measures the candidate's ability to comprehend the written text and ability to arrive at factual conclusion from the written text.

      iii) Inductive Reasoning Test
      Inductive Test is one of the psychometric tests conducted in the selection process to measure the problem solving abilities and ability to apply logical reasoning.

      iv) Mechanical Reasoning Test
      This test measures the engineering student's ability to apply engineering concepts in actual practice.

   v) Diagrammatic Reasoning Test
   This test measures the candidate's ability to understand the shapes, abstract ideas and ability to observe and extract values from illustrations and apply them to new samples.

   vi) Spatial Reasoning Test
   The test measures the candidate’s ability to clearly manipulate and remember the shapes, still images, and find out pattern which govern the sequence.

   vii) Situational Judgment Test
   This test measures the candidate’s ability to choose the most desirable action in critical situations using his judging ability.

   viii) Mental Arithmetic Test
   It tests the candidate’s basic numerical ability like addition, subtraction, multiplication, division and fraction. It tests the speed of doing calculation.

   ix) Vocabulary Test
   The test measures candidate’s ability to recognize the relationship among the ideas, think methodically and fluency in English language.

   x) Number Sequence Test
   This measures the candidate’s ability to find a logic in a series or pattern. Under this test, candidates have to find out missing number in a sequence to determine the pattern.
This test measures a candidate’s capacity to achieve in a particular field. The regular examination conducted in an educational institution represents achievement test. It is also called proficiency test. This test is conducted before, during or after a learning experience.

3. Intelligence Tests
Intelligence tests are one of the psychological tests, that is designed to measure a variety of mental ability, individual capacity of a candidate. The main aim of these tests is to obtain an idea of the person’s intellectual potential.

4. Judgment Test
This test is conducted to test the presence of mind and reasoning capacity of the candidates.

B. Personality test
Personality test refers to the test conducted to find out the non-intellectual traits of a candidate namely temperament, emotional response, capability and stability. There is no right or wrong answer in the test.

1. Interest Test
Interest measures a candidate’s extent of interest in a particular area chosen by him/her so that organization can assign the job suited to his/her term.

2. Personality Inventory Test
Under this method standardised questionnaire is administered to the candidate to find out traits like interpersonal rapport, dominance, introversion, extraversion, self-confidence, lower sign quality etc. This test assesses the reliability and innate characters of the candidate concerned.

3. Projective Test / Thematic Appreciation Test
This test measures the candidate’s values, attitude apprehensive personality etc. out of the interpretation or narration given by the candidate to the pictures, figures etc. shown to him in the test situation.

4. Attitude Test
This test measures candidate’s tendencies towards the people, situation, action and related things. For example, morale study, values study, social responsibility study expresses attitude test and the like are conducted to measure the attitude of the candidate.

2. Explain the important methods of interview.

i) Preliminary Interview
This interview is conducted to know the general suitability of the candidates who have applied for the job. Team of experts conducts their interview primarily to eliminate those who are unqualified and unfit candidates. This helps the employer organization to cut cost and time in selection process.

ii) Structure/Guided/Planned Interview
Under this method, a series of question to be asked by the interviewer are pre-prepared by the interviewer and only these questions are asked in the interview. Ultimately interviewees are ranked on the basis of score earned by the candidate in the interview.

iii) Unstructured Interview
This is quite contrary to structured interview. An atmosphere for free and frank interaction is created in the interview environment. There is no pre-prepared questions. Interviewers determine the suitability of the candidate based on their response to the random questions raised in the interview.

iv) In depth Interview
This interview is conducted to test the level of knowledge of the interviewee in a particular field intensively and extensively.

v) Panel Interview
Where a group of people interview the candidate, it is called panel interview.

vi) Stress Interview
This type of interview is conducted to test the temperament and emotional balance of the candidate interviewed.

vii) Telephone Interview
Where the candidates live far away from organization and find it difficult to attend preliminary interview for various reasons, telephone interview is conducted by some organization to eliminate unfit and unsuitable candidate at the preliminary stage itself.

viii) Online Interview
Due to tremendous growth in information and communication technology, these days interviews are conducted by means of internet via Skype, Wechat, Google duo, Viber, Whatsapp or Video chat applications.
ix) Group interview
A group interview is a screening process where multiple candidates are interviewed at the same time. Group interview is a good time saving type of interview
x) Video Conferencing Interview
Video conferencing interview is similar to face to face interview. Video conferencing interview is a kind of conference call that connects the candidate with companies located across various geographies.

3. Explain the principles of placement.
1. Job First, Man Next
Man should be placed on the job according to the requirements of the job. There is no compromise on the requirements or qualifications of the man with respect to job. “Job first Man next” should be principles of Placement.
2. Job Offer
The job should be offered to the man based on his qualification.
3. Terms and conditions
The employee should be made conversant with the conditions and culture prevailing in the organization and all those things relating to the job.
4. Aware about the Penalties
The employee should also be made aware of the penalties if he / she commits a wrong or lapse.
5. Loyalty and Co-operation
When placing new recruit on the job, an effort should be made to develop a sense of loyalty and co-operation in him, so that he / she may realise his/her responsibilities better towards the job and the organization.

IV. Long Answer Questions:
1. Define training. Discuss various types of training.
   According to Edwin B. Flippo” Training is the act of increasing the Knowledge and skills of an employee for doing particular jobs”.

   (I) On the Job Training
   On the job training refers to the training which is given to the employee at the work place by his immediate supervisor
   i) Coaching Method
   In the coaching method of training, the superior teaches or guides the new employee about the knowledge and skills relevant to a given job
   ii) Mentoring method
   Mentoring is the process of sharing knowledge and experience of an employee.
   iii) Job Rotation Method
   Job rotation is an important method for broadening the knowledge of executives. Under this method a trainee is periodically shifted from one work to another work and from one department / division to another department / division for a particular period of time. The main aim of job rotation is to expose the employee to various inter related jobs

   iv) Job Instruction Techniques (JIT) Method:
   In this method, a trainer at the supervisory level gives some instructions to an employees to how to perform his job and its purpose.

   v) Apprenticeship Training Method:
   The apprentice or trainee learns the job knowledge and skills from the trainer or superior or senior worker. Generally the apprenticeship training is given to the technical cader like that Mechanics, Electricians, Craftsmen, Welders, Fitter etc., This duration of this training programme ranges from one to five years. The trainee gets the stipend during the training period.

   vi) Committee Assignment:
   When employees are assigned to committee to address a particular issue, they are able to work closely with other members and committee leader. They gain more knowledge by observing and participating in decision making process.

   vii) Understudy/Internship Training Method:
   A superior gives training to a subordinates or understudy like an assistant to a manager or director. The subordinates learn through experience and observation by participating in handling day to day problems. Basic purpose of internship training is to prepare subordinate for assuming the full responsibilities and duties.

   (II) Off the Job Training
   Off the job training is the training method where in the workers/employees learn the job role away from the actual work floor.

   i) Lecture Method
Under this method trainees are educated about concepts, theories, principles and application of knowledge in any particular area.

**ii) Group Discussion Method**

Group of people participate and discuss particular subject or one topic. Under this method participants are divided into various groups. They were provided a particular issue for deliberation. Each groups has to prepare solution after deep discussion with their group members. The group leader has to present the solution to the audience, which will be discussed or deliberated by other groups. Moderator will give final solution after listening to divergent view points.

**iii) Case Study Method**

Trainees are described a situations which stimulate their interest to find solution. They have to use their theoretical knowledge and practical knowledge to find solution to the problem presented. There is no single solution to the problem. It may vary depending upon view points of trainees. In short, the purpose of case study method is, to make trainee apply their knowledge.

**iv) Role Play Method**

Under this method trainees are explained the situation and assigned roles. They have to act out the roles assigned to them without any rehearsal. There are no pre-prepared dialogues.

**v) Seminar/Conference Method**

This method enables the trainees to listen to the lectures / talk delivered on specific topics and provides opportunities to participate, to interact with the speaker and get their doubts clarified or select participants may be allowed to present papers with the audio visual aids as delegates. They share their rich experience at the seminar through their papers.

**vi) Field Trip Method**

A field trip or field work or training in the field is a journey undertake by a group of employees/trainees to a place away from their actual work site.

**vii) Vestibule Training Method**

Vestibule training is training of employees in an environment similar to actual work environment artificially created for training purpose. This type of training is given to avoid any damage or loss to machinery in the actual place by trainees and avoid disturbing the normal workflow in the actual workplace. It is given to Drivers, Pilots, Space Scientists etc.,

**viii) E-learning Method**

E learning is the use of technological process to access of a traditional classroom or office. E learning is also often referred to us online learning or web based training.

**ix) Demonstration Training Method**

This method is a visual display of how something works or how to do something. Demonstration involves showing by reason or proof explaining or making clear by use of examples or experiments.

**x) Programmed Instruction Method**

Under this method, the subject matter to be learnt is presented in a series of units. These units are arranged from simple to complex level. It consists of three parts: Presenting facts, New knowledge and Question and Answer.

<table>
<thead>
<tr>
<th>Basis for comparison</th>
<th>On the Job Training</th>
<th>Off the Job Training</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meaning</strong></td>
<td>The employee learns the job in the actual work environment</td>
<td>Off the job training involves the training of employees outside the actual work location</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>It is cheapest to carry out</td>
<td>It requires expenses like separate training rooms, specialist, resources like projectors.</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>At the work place</td>
<td>Away from the work place</td>
</tr>
<tr>
<td><strong>Suitable for</strong></td>
<td>Generally imparted in case of manufacturing for production related jobs</td>
<td>Mostly imparted for managerial and non production related jobs.</td>
</tr>
<tr>
<td><strong>Approach</strong></td>
<td>Practical approach</td>
<td>Theoretical approach</td>
</tr>
</tbody>
</table>
### III. Long Answer Questions:

1. How the market can be classified?
   - a. Perfect Market: A market is said to be a perfect market, if it satisfies the following conditions:
     - i. Large number of buyers and sellers are there.
     - ii. Prices should be uniform throughout the market.
     - iii. Buyers and sellers have a perfect knowledge of market.
     - iv. Goods can be moved from one place to another without restrictions.
     - v. The goods are identical or homogenous.
   - b. Imperfect Market: A market is said to be imperfect when
     - i. Products are similar but not identical.
     - ii. Prices are not uniform.
     - iii. There is lack of communication.
     - iv. There are restrictions on the movement of goods.

2. What is your contribution to promote the market in the modern society?
   - The following are the ways to promote the market in the modern society:
     - i. One of the most important point to consider is the passing of information’s to the Customers and educating the customers.
     - ii. Managing customer expectations from consumer advocacy groups to learn about the various brand loyalty.
     - iii. It is high time the clarification of the customers and the clearance of the customer’s doubts should be carry forward.

### IV. Long Answer Questions:

1. Discuss about the Evolution of marketing.
   - i. Barter system: The goods are exchanged against goods, without any other medium of exchange, like money.
   - ii. Production orientation: This was a stage where producers, instead of being concerned with the consumer preferences, concentrated on the mass production of goods for the purpose of profit. They cared very little about the customers.
   - iii. Sales orientation: The stage witnessed major change in all the spheres of economic life. The selling became the dominant factor, without any efforts for the satisfaction of the consumer needs.
   - iv. Marketing orientation: Customers importance was realized but only as a means of disposing of goods produced. Competition become more stiff. Aggressive advertising, personal selling, large scale promotion etc. are used as tools to boost sales.
v. **Consumer orientation**: Under this stage only such product are brought forward to the markets which are capable of satisfying the tastes, preferences and exceptions of the consumers- consumer satisfaction.

vi. **Management orientation**: The marketing function assumes a managerial role to co-ordinate all interactions of business activities with the objective of planning, promoting and distributing want-satisfying products and services to the present and potential customers.

2. Why the marketing is important to the society and individual firm? Explain.

a) **To the Society**

i. Marketing is a connecting link between the consumer and the producer.

ii. Marketing helps in increasing the living standard of people.

iii. Marketing helps to increase the nation’s income.

iv. Marketing process increases employment opportunities.

v. Marketing creates modern cultivators.

vi. Marketing removes the imbalances of supply by transferring the surplus to deficit areas, through better transport facilities.

vii. Marketing helps to maintain economic stability and rapid development in underdeveloped or developing countries.

viii. Marketing includes all activities in the creation of utilities-form, place, time and possession.

ix. A reduction in the cost of marketing is a direct benefit to society.

x. Marketing adds value of goods by changing their ownership and by changing their time and place of consumption.

b) **To the Individual Firms**

i. Marketing generates revenue to firms.

ii. Marketing section of a firm is the source of information to the top management for taking overall decisions on production.

iii. Marketing and innovation are the two basic functions of all businesses. The world is dynamic.

iv. Marketing facilities the development of business and creates employment opportunities for people.

3. Narrate the Elements of Marketing mix.

Elements of Marketing Mix

i. **Product**

Product is the main element of marketing. Without a product, there can be no marketing. “A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need”, says Philip Kotler.

ii. **Price**

Price is the value of a product expressed in monetary terms. It is the amount charged for the product. According to Philip Kotler, “Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service”.

iii. **Place (Physical Distribution)**

An excellent quality product, with a competitive price structure, backed up by efficient promotional activities, will be a waste if it is not moved from the place of production to the place of consumption at an appropriate time. The fourth element of product mix, namely place or physical distribution facilitates the movement of products from the place of manufacture to the place of consumption at the right time.

iv. **Promotion**

An excellent product with competitive price cannot achieve a desired success and acceptance in market, unless and until its special features and benefits are conveyed effectively to the potential consumers.

4. What is Marketing?

**Meaning**: Marketing is the study and management of exchange relationships. Marketing is the business process of creating relationships with and satisfying customers. With its focus on the customer, marketing is one of the premier components of business management.

**Definition**: Philip Kotler defines marketing as “Satisfying needs and wants through an exchange process” Marketing is defined by the American Marketing Association as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.

**Concept**: ...
The ‘marketing concept’ proposes that in order to complete the organizational objectives, an organization should anticipate the needs and wants of potential consumers and satisfy them more effectively than its competitors. This concept originated from Adam Smith’s book *The Wealth of Nations*, but would not become widely used until nearly 200 years later. Marketing and Marketing Concepts are directly related.

Given the centrality of customer needs and wants in marketing, a rich understanding of these concepts is essential:

**Needs**: Something necessary for people to live a healthy, stable and safe life. When needs remain unfulfilled, there is a clear adverse outcome: a dysfunction or death. Needs can be objective and physical, such as the need for food, water, and shelter; or subjective and psychological, such as the need to belong to a family or social group and the need for self-esteem.

**Wants**: Something that is desired, wished for or aspired to. Wants are not essential for basic survival and are often shaped by culture or peer-groups.

**Demands**: When needs and wants are backed by the ability to pay, they have the potential to become economic demands.

5. State to advantages of warehousing.

Warehousing offers many advantages to the business community. Whether it is industry or trade, it provides a number of benefits which are listed below.

1. **Protection and Preservation of goods** - Warehouse provides necessary facilities to the businessmen for storing their goods when they are not required for sale. It provides protection to the stocks, ensures their safety and prevents wastage. It minimizes losses from breakage, deterioration in quality, spoilage etc. Warehouses usually adopt latest technologies to avoid losses, as far as possible.

2. **Regular flow of goods** - Many commodities like rice, wheat etc. are produced during a particular season but are consumed throughout the year. Warehousing ensures regular supply of such seasonal commodities throughout the year.

3. **Continuity in production** - Warehouse enables the manufacturers to carry on production continuously without bothering about the storage of raw materials. It helps to provide seasonal raw material without any break, for production of finished goods.

4. **Convenient location** - Warehouses are generally located at convenient places near road, rail or waterways to facilitate movement of goods. Convenient location reduces the cost of transportation.

5. **Easy handling** - Modern warehouses are generally fitted with mechanical appliances to handle the goods. Heavy and bulky goods can be loaded and unloaded by using modern machines, which reduces cost of handling such goods. Mechanical handling also minimizes wastage during loading and unloading.

6. **How market information is helpful to invention of new product in the market?**
   - By knowing the market information the producer can know well about the attitude of the customers.
   - With the knowledge of the taste and preferences of the consumer the product may be designed as per the wish of the consumers.
   - By knowing the sufficient information the cost of a product will be decided.

**IV. Long Answer Questions:**

1. Explain in detail how traditional marketing differ from E-marketing

<table>
<thead>
<tr>
<th>S.No</th>
<th>E-Marketing</th>
<th>Traditional Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>It is very economical and faster way to promote the products</td>
<td>It is very expensive and takes more time to promote product.</td>
</tr>
<tr>
<td>2</td>
<td>It is quiet easier for promoting product globally in the short time.</td>
<td>It is very expensive and time consuming to promote product/ service under traditional marketing.</td>
</tr>
<tr>
<td>3</td>
<td>E-Business enterprises can expand their operation with minimum manpower.</td>
<td>It needs more man power.</td>
</tr>
<tr>
<td>4</td>
<td>In this marketing product can be sold or bought 24 x 7, round the year with minimum manpower</td>
<td>That is not possible in traditional marketing</td>
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</table>
2. Explain advantages and disadvantages of E-tailing.

E-tailing:
E-tailing or electronic retailing refers to selling of goods and services through a shopping website (internet) or through a virtual store to the ultimate consumer. E-tailing is a business to consumer (B2C) transaction model. E-tailing is also called online retailing.

Advantages of e-tailing/multi-channel retailing: There are advantages of e-tailing which cannot be found in other forms of retailing:
1. Cost: e-tailware software helped retailers in updating the information against competition & avoids the expenses by creating online catalogues instead of paper catalogue.
2. E-tailing creates a global bazaar style marketplace that gathers many consumers and many retailers.
3. Access (no physical location): travelling is not required to see and compare products since all information about the products are available online.

Disadvantages of e-tailing/multi-channel retailing:
1. Shopping is still a touch-see/hear experience: In India, shopping is still considered to be a family outing and people do not feel the lack of time while going out for shopping. So, e-tailing faces the problem of customer retention.
2. Customer service, distribution and logistics related issues: it is evident that retailing facilitates business transactions but care should be taken to ensure that the products are delivered on time.
3. Mode of payment related issues: credit cards are the preferred mode of payment for all online purchases. There is always a possibility of misuse of the card details as the retailers cannot capture any signatures of the cardholder.

3. Describe the various strategies pursued in recent day’s marketers.

(I) E-Commerce
If all activities, which directly or indirectly facilitate that exchange of goods done through internet and other online environments is known as Electronic Commerce (EC) or simply as E-Commerce.

(II) E-business
Electronic business (e-business) via, web, internet, intranets, extranets or some combination thereof to conduct business. In simple words, if all the business transaction carried out through internet and other online tools is called E-business.

(III) E-Marketing
“E-Marketing is achieving marketing objectives through use of digital technologies like Internet, word wide web, email, wireless media, and management of digital customer data and electronic customer management systems (E-CRM)”

(IV) E-tailing:
E-tailing or electronic retailing refers to selling of goods and services through a shopping website (internet) or through a virtual store to the ultimate consumer. E-tailing is a business to consumer (B2C) transaction model. E-tailing is also called online retailing.

(V) Green Marketing
Green marketing implies marketing environmentally friendly products.
Green marketing involves developing and promoting products and services which satisfy customers’ wants and needs for quality, performance, affordable pricing and convenience – all without causing a detrimental impact on the environment. It refers to holistic marketing concept with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc.
Green marketing is also known as environmental marketing, ecological marketing eco-friendly marketing and sustainable marketing.

4. Compare the concept of social marketing with service marketing.

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<th>S.No</th>
<th>social marketing</th>
<th>service marketing</th>
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<tr>
<td>1</td>
<td>Social marketing is a new branch of marketing</td>
<td>Service marketing is a specialized branch</td>
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It is the systematic application of marketing philosophy and techniques to achieve specific behavioural goals which ensure social good.

Service marketing denotes the processing of selling service goods like telecommunication, banking, insurance, car rentals, healthcare, tourism, professional services, repairs etc.,

The primary aim of social marketing is 'social good' such as anti-tobacco, anti-drug, antipollution, anti-dowry, road safety, protection of girl child, against the use of plastic bags.

The service products are mostly intangible, inseparable from service provider and service variable depending on the mood swing of service providers perishable in quick time, unstandardisable and deliverable directly from service provider without inter-median.

Social marketing promotes the consumption of socially desirable products and develops health consciousness. It helps to eradicate social evils that affect the society and quality of life.

The unique characteristics of services marketing warrant different strategies compared with the marketing of physical goods.

5. Discuss any two new methods of marketing with its advantages.

(I) Guerrilla marketing:
Guerrilla marketing represents an advertisement strategy to promote products/services on streets or other public places with monkey like shopping malls, parks beach etc., It is suited to small companies which cannot set apart big advertisement budget.

Advantage:
I. High credibility
II. Great reach
III. High efficiency
IV. Cheap and the low end it's free and you cannot beat free.
V. It's tailored to meet the needs of small businesses viable for small businesses.
VI. It uses the network effect of the Internet so that the marketing messages can be reached mass audience rapidly and effectively.
VII. It's fun.. Many aspects of creative Guerrilla Marketing campaigns are just plain fun! You get to perform wacky stunts and engage in unusual activities, all in the name of working for a living.
VIII. Making friends as In the process of executing and maintaining your campaign, you will make a lot of new friends and allies.

IX. Inflate profits.

(I) Viral Marketing:
Viral marketing is marketing technique that impels the users to pass on a marketing message to other users, creating a potentially exponential growth in the message’s visibility and effect. Viral marketing is able to generate interest and the potential sale of a brand or product through messages that spread quickly like a virus from person to person.

Viral Marketing Advantages
Going viral has some excellent advantages:

Low cost: It doesn't need to cost much to produce something that people will want to share. Sometimes it's the simplest ideas that resonate the most. And when done right, it can give you excellent ROI.

Reach: Going viral spreads your message and your brand much further than you might expect.

Credibility: Suddenly, your brand is on everyone’s feed. Or becomes the topic everyone brings up at a party. If done well, this is your ticket to instant (and hopefully lasting) brand awareness.

IV. Long Answer Questions:
1. How consumers are exploited?

1. Selling at Higher Price

The price charged by the seller for a product service may not be commensurate with the quality but at times it is more than the fair price.

2. Adulteration

It refers to mixing or substituting undesirable material in food. This causes heavy loss to the consumers. This will lead to monitory loss and spoil the health.

Example:
- Chemicals, detergent chalk, urea caustic soda, etc. are added to make the milk dense and white.
- Mixing of stones with grains
- Mixing of coconut oil with palmolein

3. Duplicate or Spurious goods

Duplicate products of popular products are illegally produced and sold. Duplicates are available in plenty in the market for every original and genuine parts or components like automobile spare parts, blades, pens, watches, radios, medicines, Jewellery, clothes and even for currency notes. Duplicate medicines are sold in large measure, from Cape to Kashmir

4. Artificial Scarcity

Artificial scarcity is the scarcity of items that exists even though when there is sufficient stock. In some situations the shop keepers put up the board “No Stock” in front of their shops, even though there is plenty of stock in the store. In these situations consumers has to pay hefty price to buy the goods. For example even in Cinema houses, board may hang in the main entrance ‘House Full’ while cinema tickets will be freely available at a higher price in the black market.

5. Sub-standard

On opening a packet or sealed container one may find the content to be of poor quality. If defective or damaged items are found in a pack, a consumer finds it difficult to exchange the defective one for good one. Thus gullible consumers are easily and legally cheated.

6. Product Risk

Whenever the usage of goods is likely to cause danger or hurts to customers, manufactures have to forewarn the consumers of various sources of dangers. The precautionary measures to be taken by the consumers should be informed. In absence of such information or warnings consumers are more likely to encounter risks while using the risky products.

2. Explain the role of business in consumer protection?

Business enterprises should do the following towards protecting consumers.

1. Avoidance of Price Hike

Business enterprises should desist from hiking the price in the context of acute shortage of goods/articles.

2. Avoidance of Hoarding
Business enterprises should allow the business to flow normally. It should not indulge in hoarding and black marketing to earn maximum possible profit in the short term at the cost of consumers.

3. **Guarantees for Good Quality**
Business enterprises should not give false warranty for the products. It should ensure supply of good quality.

4. **Product Information**
Business enterprises should disclose correct, complete and accurate information about the product viz. size, quality, quantity, substances, use, side effects, precautions, weight, exchange, mode of application etc.

5. **Truth in advertising**
Business enterprises should not convey false, untrue, bogus information relating to the product through the advertisements in media and thus mislead the consumers.

6. **Protection from the Hazard**
Business enterprises should not market the product which is potentially hazardous and harmful. It should test the safety of the product before they are marketed. As regards food items, business enterprises should withdraw spoiled and contaminated food items.

7. **Money Refund Guarantee**
Where the product becomes defective, business enterprises should replace it with new one or refund the purchase price. If the product causes injury or harm to consumers, it should reimburse the expenditures done by the consumers concerned.

8. **Consumer Grievances**
Where the business enterprises have customer care department, it should handle the grievances’ of consumer immediately or within a definite time frame.

3. What are the needs for consumer protection?
1) Though consumer is said to be the king of entire business sphere, his interests are virtually neglected.
2) Shortage of goods makes the consumers to be content with whatever is offered for sale.
3) Quality is sacrificed:
4) warranty of performance has no meaning;
5) health hazard is never considered;
6) profit maximisation turns out to be sole consideration of business enterprises. In such a context, consumer protection remains a vital importance.

4. Explain the role of consumers in Consumer Protection?

Role of Consumers
Ultimately it is the consumer who alone can put an end to all their unethical trade practices.
Business enterprises may break the codes and Government may rest content with mere inaction of laws and do little to protect consumers.

In this context consumers have to be vigilant and organize themselves into a movement for concerted action.

Activation of Consumer Action Councils
1. Consumer action councils established at village levels should educate consumers of the right.
2. Consumer protection agencies should take necessary steps to investigate consumer complaints and grievances and arrange to forward them to correct forum.
3. It should regulate business enterprises according to the rules of the industry.
4. Voluntary consumer groups should provide information so as to educate consumers on matters affecting them through media.
5. It should organize movement against the malpractice of manufacturers and traders.
6. Consumer cooperatives need to be strengthened.
7. Consumer groups should contact the legislators to raise the consumer issues in Assembly and Parliament.
8. There should be testing laboratories at each district to test the purity of goods.
9. Voluntary consumer organizations should publicize the malpractices of manufacturers and traders by media.
10. It should take initiation to report such officials and authorities who let the offender to go scot free to follow enforcement agencies.

5. What are the objectives of Consumer Protection Act, 1986?

Objectives of the Consumer Protection Act 1986
Following are the objectives of Consumer Protection act 1986
i. Protection of consumers against marketing of goods which are hazardous and dangerous to life and property of consumers.
ii. Providing correct and complete information about quality, quantity, purity, price and standard of goods purchased by consumers.
iii. Protecting consumers from unfair trade practices of traders.
iv. Empowering consumers to seek redressal against exploitation.
v. Educating the consumer of their rights and duties.
vi. Ensuring better standard of living for consumers by providing them with quality products at fair price.
vii. Putting in place right mechanism like councils and other authorities to enable the consumers to enforce their rights.

6. Write about five important consumer legislations?
i. The Indian Contract Act, 1982 was passed to bind the people on the promise made in the contract.
ii. The Sale of Goods Act, 1982: This Act protects consumers against sellers not complying with expressed and implied warranties in the sale contract.
iii. The Essential Commodities Act, 1955 protects the consumers against artificial shortages created by the sellers by hoarding the goods and thus selling the goods at high prices in black market in respect of essential commodities.
iv. The Agricultural Products Grading and Marketing Act, 1937 ensures the supply of agricultural commodities at high quality.
v. The Prevention of Food Adulteration Act, 1954 checks the adulteration of food articles and ensures purity of goods supplied and thus protects the health of consumers.

7. What are the salient features of the Consumer Protection Act, 1986?
Salient features of The Indian Consumer Protection Act, 1986
The salient features of the Indian Consumers Protection Act, 1986 are listed below
i. Protecting consumers against products and services which are harmful to the health of consumers.
ii. Protecting consumers from the breach of contract by sellers/manufacturers.
iii. Ensuring consumers with supply of goods at fair quality.
iv. Safeguarding consumers against misleading and untrue messages communicated through advertisement.
v. Ensuring that consumers are charged fair price.
vi. Ensuring uninterrupted supply of goods.
vii. Ensuring the availability of goods incorrect quantity and right size.
viii. Protecting the consumers against unfair trade practices of unscrupulous trader
ix. Protecting the consumers against pollution of various kinds
x. Protecting consumers against the evil effect of competition.

8. What are the objectives of United Nations guidelines for consumer protection?
Objectives of United Nations Guidelines for Consumer Protection
i. To assist countries in achieving or maintaining adequate protection for their population as consumers
ii. To facilitate production and distribution patterns responsive to the needs and desires of consumers
iii. To encourage high levels of ethical conduct or those engaged in the production and distribution of goods and services to consumers
iv. To assist countries in curbing abusive business practices by all enterprises at the national and international levels which adversely affect consumers
v. To facilitate the developing of independent consumer groups
vi. To further international co-operation in the field of consumer protection
vii. To encourage the development of market conditions which provide consumers with greater choice at lower prices.

IV. Long Answer Questions:
1. What are the rights of consumers?
Consumer Rights
I. Right to safety
Means right to be protected against the marketing of goods and services, which are hazardous to life and property. The purchased goods and services availed of should not only meet their immediate needs, but also fulfill long term interests. Before purchasing, consumers should insist on the quality of the products as well as on the guarantee of the products and services. They should preferably purchase quality marked products such as ISI, AGMARK, etc.
II. Right to choose
Means right to be assured, wherever possible of access to variety of goods and services at competitive price. In case of monopolies, it means right to be assured of satisfactory quality and service at a fair price. It also includes right to basic goods and services. This is because unrestricted right of the minority to choose can mean a denial for the majority of its fair share. This right can be better exercised in a competitive market where a variety of goods are available at competitive prices

III. Right to be informed
Means right to be informed about the quality, quantity, potency, purity, standard and price of goods so as to protect the consumer against unfair trade practices. Consumer should insist on getting all the information about the product or service before making a choice or a decision. This will enable him to act wisely and responsibly and also enable him to desist from falling prey to high pressure selling techniques.

IV. Right to consumer education
Means the right to acquire the knowledge and skill to be an informed consumer throughout life. Ignorance of consumers, particularly of rural consumers, is mainly responsible for their exploitation. They should know their rights and must exercise them. Only then real consumer protection can be achieved with success.

V. Right to be heard
Means that consumer's interests will receive due consideration at appropriate forums. It also includes right to be represented in various forums formed to consider the consumer's welfare. The Consumers should form non-political and non-commercial consumer organizations which can be given representation in various committees formed by the Government and other bodies in matters relating to consumers.

VI. Right to Seek redressal
Means right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. It also includes right to fair settlement of the genuine grievances of the consumer. Consumers must make complaint for their genuine grievances. Many a times their complaint may be of small value but its impact on the society as a whole may be very large. They can also take the help of consumer organizations in seeking redressal of their grievances.

2. Explain the duties of consumers.
   i) Buying Quality Products at Reasonable Price
   It is the responsibility of a consumer to purchase a product after gaining a thorough knowledge of its price, quality and other terms and conditions.
   ii) Ensure the Weights and Measurement before Making Purchases
   The sellers often cheat consumer by using unfair weights and measures. The consumer should ensure that he/she is getting the product of exact weight and measure. Consumer should check the weights and balance of the product.
   iii) Reading the Label Carefully
   It is the duty of the consumer to thoroughly read the label of the product. It should have correct, complete and true information about the product.
   iv) Beware of False and Attractive Advertisements
   Often the products are not as attractive as shown in the advertisement by the sellers. Hence, it is the prime duty of consumer not to get misled by such fraudulent advertisements.
   v) Misleading Schemes
   Mostly advertisements are used to be very attractive and appealing to the senses. They may be occasionally false and misleading. The consumer is supposed to be careful with the attractive advertisements and avoid such misleading and false advertisements
   vi) Ensuring the Receipt of Cash Bill
   It is a legitimate duty of consumers to collect cash receipt and warranty card supplied along with bills. This will help them in seeking redressal for their grievances

3. What are the responsibilities of consumers?
The responsibilities of consumer are listed below;
   1. The consumer must pay the price of the goods according to the terms and conditions of the sales contract.
   2. The consumer has got a responsibility to apply to the seller for the delivery of the goods. He/she has to take delivery of the goods in time.
   3. The consumer has to bear any loss, which may arise to the seller when the consumer
delays taking delivery of the goods as per the terms of contract.
4. The consumer is bound to pay any interest and special damages caused to the seller incase if there is delay in the payment.
5. The consumer has to assiduously follow and keenly observe the instructions and precautions while using the products.
6. The consumer has the responsibility to express unambiguously to the seller of his requirements and expectations from the product.
7. The consumer must seek to collect complete information about the quality, quantity, price etc of the product before purchasing it.
8. The consumer must get cash receipt as a proof of goods purchased from the seller. If it carries any warranty, the buyer must obtain the warranty card mentioning the date of purchase and period of warranty. It must also bear the signature and stamp of the seller organization.
9. The consumer must file a complaint with the seller concerned about defects or shortcomings noticed in their products and services.
10. The consumer should never compromise on the quality of goods. The consumers must watch for ISI, Agmark, FPO, the standard quality certification marks and the like in the label.

IV. Long Answer Questions:
1. Write the functions of the National Commission?

ABOUT NCDRC
The National Consumer Disputes Redressal Commission (NCDRC), India is a quasi-judicial commission in India. It was set up in 1988 under the Consumer Protection Act of 1986. Its head office is in New Delhi. The Commission is headed by a serving or retired judge of the Supreme Court of India. The National Consumer Disputes Redressal Commission (NCDRC) is also called as National Commission.

Members
The National Consumer Disputes Redressal Commission has been constituted by Notification.
1. The National Commission should have Five members.
2. One should be from judiciary.
3. Four other members of ability, knowledge and experience from any other fields.
4. It should include a woman. Jurisdiction
Section 21 of The Consumer Protection Act, 1986 describes, the National Commission shall have jurisdiction
1. To entertain a complaint valued more than1 Crore.
2. Revised the orders of State Commissions.
3. To call for the records and pass appropriate orders from the State Commission and District Forum.
4. Explain the overall performance of State Commission.

State Commission
The State Commission is to be appointed by the State Government in consultation with the Centre. It has the same function as state level. The state consumer protection council is also known as “Consumer Disputes Redressal Commission”. Both goods and services are included in the purview of the council. A consumer has to be protected against defects, deficiencies and unfair and restrictive trade practices. The State Consumer Protection Council is also called State Commission.

Members
Each State Commission shall consist of the following members.
1. A person who is or has been a Judge of a High Court appointed by the State Government as its President.
2. Two other members who shall be persons of ability, integrity and standing and have Adequate knowledge or experience of or have shown capacity in dealing with problems relating to economics, law, commerce, industry, public affairs or administration of them, one shall be a woman.

Jurisdiction
The Jurisdiction of the State Commission is as follows.
1. The State Commission can entertain complaints within the territory of entire state and where the value of the goods or services and the compensation, if any claimed exceed Rs. 20 lakhs and below Rupees One Crore.
2. The State Commission also has the jurisdiction to entertain appeals against the orders of any District Forum within the State.

Powers
The following are the powers of the State Commission.
1. The State Commission also has the power to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Forum within the State.
2. To produce before and allow to be examined by an officer of any of these agencies, such books of accounts, documents or commodities as may be required and to keep such books, documents, etc., under his custody for the purposes of the Act.
3. To furnish such information that may be required for the purposes of the Act to any officer so specified.

Appellate Forum
1. The State Commission’s jurisdiction may be original, appellate or revision. The State Commission may reverse or confirm the orders passed by the District Forum.
2. Any person aggrieved by an order of the State Commission may prefer an appeal to the National Commission within 30 days from the date of such order.
3. Explain the term District Forum and explain the functions of District Forum.
As per the Consumer Protection Act of 1986 and Section 9 thereof the establishment of a District Forum by the State Government in each district is necessary today to protect the interest of aggrieved consumers in that district.

The State Government can establish more than one District Forum in a district if it deems fit to do so. Complaints can be filed with the forum by a consumer. Complaints can also be filed by the Central or State Government or by a group of consumers. It is not necessary that complaint should be filed only by the affected person. Others can also take up the matter with the District Forum.

Members
1. A person who is or who has been or is qualified to be, a District Judge as its President.
2. Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of or who have shown their capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration.
3. Out of such two other members’ one shall be a woman.

Jurisdiction
The District Forum can entertain complaints within the territory of genuine district and where the value of goods or services and the compensation if any claimed is less than Rs 20 Lakhs.

Powers
Every proceedings before the District Forum shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Forum shall be deemed to be Civil Court. If the value of the complaint exceeds this limit of Rs 20 Lakhs the complaint should be made direct to the State Commission.
Further the District Forum also may pass orders against traders indulging in unfair trade practices, sales of defective goods or rendering deficient services, the turnover of goods or value of services does not exceed Rs 20 Lakhs.

Appellate Forum
The aggrieved party can prefer appeal against the order passed by the District Forum to the State Commission.

4. What is the Voluntary Consumer Organizations? Explain its function?
Consumer is a broad label for any individuals or households that use goods and services produced within the economy. Voluntary consumer organizations refer to the organization formed voluntarily by the consumers to protect their rights and interests.

Objectives
1. The Department of Consumer Affairs (DCA) operates the Consumer Welfare Fund (CWF). The primary objective of the CWF is to strengthen the Consumer Advocacy Movement in India.
2. A wide network of Voluntary Consumer Organization (VCO) is doing commendable work to raise awareness amongst consumers.
3. To strengthen consumer protection and welfare and to provide counseling, guidance and mediation services.
4. VCO’s supported through CWF provides grants for diverse projects including Comparative testing of products and services and dissemination of the findings.
5. Steps have been taken to enhance transparency and to digitalize the government’s interface with its citizens.
6. How to create Consumer awareness?
   Accelerating Consumer Awareness/Educating Consumers The first priority of a consumer organization is to accelerate consumer awareness towards their rights. To accomplish this task the following efforts are made:
   i. To publish brochures journals and monographs.
   ii. To arrange conferences, seminars and workshops.
   iii. To educate consumers to help themselves.
   iv. To provide special education to women about consumerism.
1. Explain the natural environment of business.
   The natural, geographical and ecological factors have a bearing on the business. These are as follows;
   1) The availability of natural resources like minerals oil etc, since setting up of industries requires availability of raw materials
   2) The weather and climatic conditions and availability of water and other natural resources is essential for the agricultural sector .
   3) Topographical factors like the terrain impacts type of business since the demand and consumption pattern may vary in these regions. E.g in the the hilly region mode of transport will have to be modified to tackle the terrain..
   4) Ecological factors are now gaining momentum, since the governments Investments etc. form an important part of economic environment.
   5) Development of financial market The organization and development of money market, capital market securities market and, the banking system has a greater impact.
2. What are the political environment factors?
   The major elements of the legal and political environment are
   1) Political stability is reflected by the following parameters like the election system, the law and order situation, the role and structure of Military and Police force, the declaration of President’s rule, civil war etc
   2) Political organization refers to the ideology and philosophy of the political parties, the government, the role and degree of authority of bureaucracy, the level of political consciousness among citizens and the funding of political parties by business houses and the clout wielded by them.
   3) The image of the leader and the country in the inter-national arena.
   4) Legal framework of business and their degree of flexibility.
   5) The constitution of the nation.
   6) The Foreign policy of the country with special reference to tariffs and free trade.
3. Write about any three internal environmental factors of business.
   The major internal factors affecting business decisions are
   i Values system: The values of the founder/owner of the business, percolates down to the entire organization and has a profound effect on the organization. The success of an organization depends upon the sharing of value system by all members
   ii. Vision and objectives: The vision and objectives of a business guides its operations and strategic decisions. Example ‘Amul the taste of India’ Gujarat Co-operative Milk Marketing Federation GCMMF
   iii. Company image: The image of an organization plays an important role in introducing new products, selecting agents and dealers for distribution, forging alliances with suppliers, expanding and entering new markets both domestic and international, raising finance etc.
4. State the framework of Corporate Governance in India.
   The Indian Corporate Governance framework requires listed companies
   i) To have independent directors on the board; At least one third of the directors have to be independent directors.
   ii) To have at least one independent woman director,
   iii) To disclose all deals and payments to related parties.
iv) To disclose details of managerial compensation
v) CEO and CFO to sign stating that the governance norms have been complied with in the financial statements.
5. What are the functions of the GST council?
The Goods and Services Tax Council shall make recommendations to the Union and the States on
a. the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax
b. the goods and services that may be subjected to, or exempted from the goods and services tax
c. model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply
d. the threshold limit of turnover below which goods and services may be exempted from goods and services tax e. the rates including floor rates with bands of goods and services tax
f. any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster
g. special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand and
h. any other matter relating to the goods and services tax, as the Council may decide.
The future environment of business in this age of rapid technological advancement has been captured aptly in the acronym VUCA – volatility, uncertainty, complexity and ambiguity, developed in the late 80’s by the U.S military.
It is now important for every business to meet the challenges posed by the environment in order to remain competitive. The uncertain conditions and situations requires a firm to be prepared to face the volatility by planning.
The presence of complex variables impacting business should be understood and alternative measures for solving the issues should be developed.
In an VUCA environment a firm has to be forward looking anticipating the change, adaptability will remain essential for the success of any business in an ambiguous, uncertain environment.
7. What do you know about Technological environment?
Technology is widely used in conducting market research for understanding the special needs of the customer. Data-mining and data analytics are used to know the customer better. Technology is used in managing inventory, storing goods in warehouses, in distributing goods and in receiving payment. This dynamic environment also includes the following:
1) The level of technology available within the country
2) rate of change in technology
3) Technology adopted by competitors
4) Technological obsolescence

IV. Long Answer Questions:
1. Discuss the role of macro environment of business.
The general or remote environment factors are as follows;
i) Economic environment:
The term economic environment refers to all the external economic factors that influence buying habits of consumers and businesses and therefore affect the performance of a company. These factors are often beyond a company’s control, and may be either large-scale (macro) or small-scale (micro) The business is an integral part of the economic system prevalent in a nation. The multiple variables in the macro environment system which has a bearing on a business include
1) The nature of economy based on the stage of development.
2) The nature of economic system
3) The economic policies of a nation
4) The Economic indices
5) Development of financial market
6) The Economic structure
ii) Socio-Cultural environment
Social environment refers to the sum total of factors of the society in which the business is located. Social and cultural environment of society affects the business. It is dynamic and includes the behaviour of individuals, the role and importance of family, customs, traditions, beliefs and values, religion and languages, the ethical values.

**iii. Political and Legal environment**
The framework for running a business is given by the political and legal environment. The success of a business lies in its ability to adapt and sustain to political and legal changes. The legislative, executive and judiciary are the three political institutions which directs and influences a business.

**iv. Geo-physical environment**
The natural, geographical and ecological factors have a bearing on the business. These are as follows;
1. The availability of natural resources
2. The weather and climatic conditions and availability of water and other natural resources
3. Topographical factors
4. Ecological factors
5. Location of certain industries is influenced by the geographical conditions
6. Availability of natural harbours and port facilities for transporting goods.

**v. Technological environment**
Technological environment refers to the state of science and technology in the country and related aspects such as rate of technological progress, institutional arrangements for development and application of new technology, etc.

**vi. Global environment**
With the rapid growth of technology the physical boundaries are fast disappearing and the new global market is emerging. The international environmental factors which affect a business are as follows;
1. Differences in language and culture
2. Differences in currencies
3. Differences in norms and practices
4. Differences in tastes and preferences of people
5. The tax structure relating to import and export.
6. Differences in the degree of adoption of technology.

2. Describe the economic and socio cultural environment of business.

**i. Economic environment:**
The term economic environment refers to all the external economic factors that influence buying habits of consumers and businesses and therefore affect the performance of a company. These factors are often beyond a company's control, and may be either large-scale (macro) or small-scale (micro) The business is an integral part of the economic system prevalent in a nation. The multiple variables in the macro environment system which has a bearing on a business include
1. The nature of economy based on the stage of development.
2. The nature of economic system
3. The economic policies of a nation
4. The Economic indices
5. Development of financial market
6. The Economic structure

**Socio-Cultural environment** - Business is a part of the society. Social environment refers to the sum total of factors of the society in which the business is located. Social and cultural environment of society affects the business. It is dynamic and includes the behaviour of individuals, the role and importance of family, customs, traditions, beliefs and values, religion and languages, the ethical values. The literacy level, and the social attitudes of the people of the society. The socio-cultural environment also includes the following;
1. The social institutions and groups
2. Family structure prevalent in the society
3. Role of marriage as an institution
4. Caste system in the society
5. Customs, beliefs and values
6. Demographic factors which includes the size, composition, literacy level, distribution and mobility of the population
7. The lifestyle of people and their tastes, likes and preferences.
3. Explain the micro environmental factors of business.

**Micro Environment Factors**
This refers to those factors which are in the immediate environment of a business affecting its performance. These include the following:

**i) Suppliers:**
- In any organization the suppliers of raw materials and other inputs play a very vital role.
- Timely procurement of materials from suppliers enables continuity in production and reduces the cost of maintaining stock/inventory.
- Organizations generally obtain supplies from a panel of suppliers instead of relying on a single source.
- Organizations have realized the importance of nurturing and maintaining good relationship with the suppliers.

**ii) Customers:**
- The aim of any business is to satisfy the needs of its customers. The customer is the king and the fulcrum around which the business revolves.
- Hence it is essential for any business to understand the needs of its varied customers like individuals, retailers, wholesalers, industries and government sector.
- Customer relationship management aims at creating and sustaining cordial relations with customers.

**iii) Competitors:**
- All organizations face competition at all levels local, national and global.
- Competitors may be for the same product or for similar products.
- It is important for a business to understand its competitors and modify their business strategies in the face of competition.

**iv) Financiers:**
- The financiers of a business which includes the debenture holders and financial institutions play a significant part in the running of a business.
- Their financial capability, policies strategies, attitude towards risk and ability to give on–financial assistance are all important to a business.

**v) Marketing Channel members:**
- The marketing inter–mediaries serve as a connecting link between the business and its customers.
- The middlemen like dealers, wholesalers and retailers ensure transfer of product to customers. Physical distribution is facilitated by transporters, and warehouses help in storing goods. Market research agencies help the firm to understand the needs of the customers while advertising agencies help in promoting the products and services.
- Insurance firm is another marketing intermediary which provides coverage for risk in business.

**vi) Public**
- This refers to any group like media group, citizen action group and local public which has an impact on the business.
- The public group has the ability to make or mar a business.
- Many companies had to face closure due to actions by local public.

4. Discuss the significance of understanding business environment and the internal factors affecting business. The significance of understanding the business environment is as follows:

**i. Helps in formulating Strategy and future planning:**
The data relating to the business environment are used as a record for devising important business strategies and to plan for the future development of the business concerned.

**ii. Enables to identify the opportunities available:**
The analysis of business environment helps a business to identify new opportunities.

**iii. Environment scanning:**
It helps the firms to identify threats which may affect the business. Thus measures can be taken by the firm to overcome the threats.

**iv. Business aids:**
It stimulates systematic monitoring of environment which helps business in taking steps to cope with the rapid changes.

**v. Public image:**
Environmental analysis helps a business to enhance its image by being sensitive and quickly responding to the changing environment and needs of people.
Internal Factors.
The major internal factors affecting business decisions are i Values system: The values of the founder/owner of the business, percolates down to the entire organization and has a profound effect on the organization. The success of an organization depends upon the sharing of value system by all members
ii. Vision and objectives:
The vision and objectives of a business guides its operations and strategic decisions
iii. Management structure and nature:
The structure of management/board and their style of functioning, the level of professionalism of management, the composition of the board are the various factors which affects the decision making.
iv. Internal power relations:
This refers to the internal power relations that exist in an organization. The relations among board members, between board members and the CEO and the level of support enjoyed by the board from its stakeholders namely employees and shareholders are significant factors which affects decision making and its implementation in an organization.
v. Human resources:
The success of an enterprise is solely dependent on its manpower. Therefore the quality, skill competency, right attitude and commitment of its human resources is essential for the success of an organization.
vi. Company image:
The image of an organization plays an important role in introducing new products, selecting agents and dealers for distribution, forging alliances with suppliers, expanding and entering new markets both domestic and international, raising finance etc.

IV. Long Answer Questions:
1. Explain the advantages and disadvantages of Liberalization.
Advantages
(a) Increase in foreign investment: If a country liberalises its trade, it will make the country more attractive for inward investment.
(b) Increase the foreign exchange reserve: Relaxation in the regulations covering foreign investment and foreign exchange has paved way for easy access to foreign capital.
(c) Increase in consumption: Liberalization increases the number of goods available for consumption within a country due to increase in production.
(d) Control over price: The removal of tariff barriers can lead to lower prices for consumers. This would be particularly a benefit for countries who are importers.
(e) Reduction in external borrowings: Liberalization reduces the dependence on external commercial borrowings by attracting more foreign investments.
Disadvantages
(a) Increase in unemployment: Trade Liberalization often leads to a shift in the balance of an economy.
(b) Loss to domestic units: With fewer entry restrictions, it has been possible for many entrants to make inroads into the country, which poses a threat and competition to the existing domestic units.
(c) Increased dependence on foreign nations: Trade Liberalization means firms will face greater competition from abroad. When competition is not automatically enhanced, it can lead to domination by big institution that has market controlling powers.
(d) Unbalanced development: Trade Liberalization may be damaging for developing economies which cannot compete against free trade. The trade Liberalization often benefits developed countries rather than developing economies.

2. Explain the impact of LPG on Indian Economy.
Highlights of the LPG Policy
Given below are the salient highlights of the Liberalization, Privatization and Globalization Policy in India:
(a) Introduction of new Foreign Trade Agreements (b) Foreign Investment (FDI & FII)
(c) MRTP Act, 1969 (Amended) (d) Deregulation (e) Opportunities for overseas trade (f) Steps to regulate inflation
(g) Tax reforms (h) Abolition of License
Positive Impact of LPG on Indian Economy-
1) Increase in GDP growth rate India’s GDP growth rate is increased.
India’s GDP growth rate is increased. During 1990-91 India’s GDP growth rate was only 1.1% but after 1991 reforms due LPG policy India’s GDP growth rate is increased year by year and in 2018 it was recorded 7.1%

2) Increase in Foreign Direct Investment (FDI)
According to the World Investment Report 2019, released by United Nation Conference on Trade and Development (UNCTAD), Foreign Direct Investment (FDI) inflows to India grew by 6% to USD 42 billion in 2018. India was ranked among the top 20 host economies for FDI inflows in 2017-18

3) Increase in per capita income-
In 1991 India’s Per capita Income was Rs. 11235 but in the Financial year 2017-18 India's per capita Income was recorded to be INR 1,13,000. It grew at a rate of 8.6% which was slower than the previous growth patterns. Per Capita income is increased due to Increase in Employment, due to new economy policy of globalization and privatization many job opportunities are created so, people’s income was increased.

4) Unemployment rate is reduced
In 1991 unemployment rate was 4.3% but after India adopted new LPG policy more employment is generated because of globalisation many new foreign companies came in India and due to Liberalization many new entrepreneurs have started new companies because of a abolition of Industrial licensing / Permit Raj According to the International Labour Organisation (ILO), India’s unemployment rate at 3.5 per cent in 2018 5) Privatization has resulted into reduction of the government's financial and administrative burden.

Limitations of LPG policy-
1) Low Growth of Agriculture Sector-
2) Threat from foreign competition
3) Adverse Impact on Environment-
4) Increase in Income disparity

Conclusion
Economic reforms have an important impact on Indian economy. There are many changes in Indian economy, after adaptation of the policy of LPG i.e. Liberalization, Privatisation and Globalisation in 1991. Because of these reforms many good thing are happen like increase in the India’s GDP growth rate, Foreign direct Investment and Per Capita Income. Policy has facilitated the flow of foreign capital, technology and managerial expertise thereby improving efficiency of industry. Also, unemployment rate is reduced. Though there are certain negative impacts are also there like low growth of agriculture sector, adverse impact on environment etc

IV. Long Answer Questions:
1. Explain in detail the elements of contract of sale.
   Following essential elements are necessary for a contract of sale.
   1. Two Parties:
      A contract of sale involves two parties the seller and the buyer. The buyer and the seller should be two different persons.
   2. Transfer of Property:
      To constitute sale, the seller must transfer or agree to transfer the ownership in the good to the buyer. A mere transfer of possession does not amount to sale.
   3. Goods:
      The term ‘goods’ includes every kind of movable property, stocks and shares, growing crops etc.
   4. Price:
      The monetary consideration for the goods sold is called price. •• If goods are exchanged for goods, it is only barter and not a sale.
   5. Includes both ‘Sale’ and ‘Agreement to Sell’: •• The term contract of sale includes both sale and agreement to sell.
      •• If the property in goods is transferred immediately to the buyer it is called a sale.

3. Distinguish between sale and agreement to sell.

<table>
<thead>
<tr>
<th>s.no</th>
<th>Basis</th>
<th>Sale</th>
<th>agreement to sell</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ownership/Transfer of Property</td>
<td>goods are immediately transferred to the buyer</td>
<td>goods sold are to be transferred at a certain date in future</td>
</tr>
<tr>
<td>2</td>
<td>Risk of Loss</td>
<td>if the goods are destroyed, then the</td>
<td>The seller will bear the loss in</td>
</tr>
</tbody>
</table>

1. **Existing Goods:**
   Existing goods are those owned or possessed by the seller at the time of contract of sale. Goods possessed even refer to sale by agents or by pledgers.
   Existing goods may be either
   (i) Specific Goods
   (ii) Ascertained Goods
   (iii) Generic or Unascertained Goods

   **I. Specific Goods:**
   Specific goods denote goods identified and agreed upon at the time of contract of sale.
   **B) Ascertained Goods:**
   This is a type not defined by the law but by the judicial interpretation. This term is used for specific goods which have been selected from a larger set of goods.
   **C) Unascertained Goods:**
   These are the goods that have not been specifically identified but have rather been left to be selected from a larger group.

2. **Future Goods**
   In sec 2(6) of the Act, future goods have been defined as the goods that will either be manufactured or produced or acquired by the seller at the time the contract of sale is made. The contract for the sale of future goods will never have the actual sale in it, it will always be an agreement to sell.

3. **Contingent Goods**
   Contingent goods are actually a subtype of future goods in the sense that in contingent goods the actual sale is to be done in the future. These goods are part of a sale contract that has some contingency clause in it.

4. **Distinguish between Conditions and Warranty.**

<table>
<thead>
<tr>
<th>s.no</th>
<th>Basis</th>
<th>Conditions</th>
<th>Warranty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Where the buyer fails to pay the price, the seller cannot seize the goods. The seller can only file a case against the buyer for violating the contract.

Where the buyer violates the contract, the seller can repossess the goods from the former. He can sue for Damages for violation of the contract.

Where the buyer becomes insolvent without having paid for goods, the seller can claim for recovery of price.

In this case, the buyer who has paid but has not attained the possession of goods yet may claim for the paid money back.
### 5. Discuss in detail the right of an unpaid seller against the goods.

**Meaning of Unpaid Seller:**
A seller is deemed to be an unpaid seller (a) when the whole of the price has not been paid or (b) a bill of exchange or other negotiable instrument given to him has been dishonoured. Seller includes not only actual seller but also an agent of a seller or a consignee.

**Rights of an unpaid seller**

**I. (a). Rights of an unpaid seller against the good**

(i) where the property in the goods has passed to the buyer

a. Rights of lien: An unpaid seller has a right to retain the goods till he receives the price. But to exercise this lien:
   i. He must be in possession of goods
   ii. The goods must have been sold without any stipulation as to credit or where goods have been sold on credit, the term of credit must have expired.
   iii. It must be remembered that the right of lien depends on actual possession.
   iv. Where an unpaid seller has made a part delivery of the goods, he has lien on the reminder..

b. Right of stoppage in Transit:
   Where the seller has delivered the goods to a carrier or other bailee for the purpose of transmission to the buyer, but the buyer has not acquired them, then the seller can stop the goods and regain the possession. In other words, goods must be neither with the seller nor with the buyer but should be in the hands of a carrier. Further, the buyer must have become an insolvent.

c. Right of Resale:
   The unpaid seller can resell the goods
   (i) Where they are of a perishable nature or (ii) After exercising his right of lien or stoppage in transit, even though he has given intimation to the buyer of his intention to resell, buyer has not tendered the price within a reasonable time.
   (iii) Where the seller has expressly reserved the right of resale in the contract itself.

I. (b). Where the Property in the Goods does not pass to the buyer:

**II. Right of an Unpaid Seller against the Buyer Personally**

(i) Suite for price:
   Where the ownership in the goods has passed to the buyer and the buyer refuses to pay for the goods, the seller can file case against the buyer for the price.
(ii) Suite for Damage for Non-acceptance:
Where the buyer wrongfully refuses to accept the goods, the seller can sue him for damages for non-acceptance of the goods.

(iii) Suite for Cancellation of the Contract before the Due Date:
Where the buyer cancels contract before the date of delivery, the seller may either treat the contract as continuing or wait till the due date or he can file a case against buyer immediately.

(iv) Suite for Interest:
Where there is a specific agreement between buyer and seller regarding charging interest on the price, the seller can recover interest from the buyer from the due date contract till the date of payment of purchase price.
If there is no specific agreement, the seller can charge interest from such day as he may notify to the buyer.

IV. Long Answer Questions:
1. Mention the presumptions of Negotiable Instruments.

Presumptions to Negotiable Instrument
Certain presumptions as briefly mentioned below:
I. Every negotiable instrument is presumed to have been drawn, accepted etc. for consideration.
II. A negotiable instrument is presumed to have been accepted.
III. Every negotiable instrument bearing, a date is presumed to have been made or drawn on such a date.
IV. It is presumed to have been accepted within a reasonable time after the date and before its maturity.
V. The transfer of a negotiable instrument is presumed to have been made before maturity.
VI. The endorsements appearing upon a negotiable instrument are presumed to have been made in the order to which they appear thereon.
VII. When a negotiable instrument has been lost, it is presumed to have been duly stamped.
VIII. The holder of a negotiable instrument is presumed to be a holder in due course.

2. Distinguish a cheque and a bill of exchange.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Basic of Difference</th>
<th>Bill of Exchange</th>
<th>Cheque</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Drawn</td>
<td>A bill of exchange can be drawn on any person including a banker</td>
<td>A cheque can be drawn only on a particular banker.</td>
</tr>
<tr>
<td>2.</td>
<td>Payability</td>
<td>It is payable on demand or on the expiry of a certain period.</td>
<td>It is payable on demand only.</td>
</tr>
<tr>
<td>3.</td>
<td>Validity</td>
<td>A bill made payable to bearer on demand is void by virtue of section 31 of the RBI Act.</td>
<td>A cheque drawn payable to bearer on demand is perfectly valid.</td>
</tr>
<tr>
<td>4.</td>
<td>Acceptance</td>
<td>In case of time bill, acceptance by the drawee is necessary before he can be made liable on it.</td>
<td>A cheque does not require any acceptance.</td>
</tr>
<tr>
<td>5.</td>
<td>Grace period</td>
<td>Three days of grace are allowed</td>
<td>No days of grace are allowed.</td>
</tr>
<tr>
<td>6.</td>
<td>Notice</td>
<td>When a bill is dishonoured, notice of dishonour is necessary.</td>
<td>Notice is not necessary for a cheque.</td>
</tr>
<tr>
<td>7.</td>
<td>Sets</td>
<td>Foreign bills of exchange are drawn in sets of three.</td>
<td>It is not so in case of cheque.</td>
</tr>
<tr>
<td>8.</td>
<td>Dishonour</td>
<td>On dishonour of a bill there is a practice of noting and protesting</td>
<td>No such thing is done on the dishonour of a cheque.</td>
</tr>
</tbody>
</table>

3. Discuss in detail the features of a cheque.
Features of a Cheque

(i) Instrument in Writings
A cheque or a bill or a promissory note must be an instrument in writing. It can be written in ink pen, ball point pen, typed or even printed. Oral orders are not considered as cheques.

(ii) Unconditional Orders
The instrument must contain an order to pay money. It is not necessary that the word ‘order’ or its equivalent must be used to make the document a cheque.

(iii) Drawn on a Specified Banker Only
The cheque is always drawn on a specified banker. A cheque vitally differs from a bill in this respect as latter can be drawn on any person including a banker. The customer of a banker can draw the cheque only on the particular branch of the bank where he has an account.

(iv) A Certain Sum of Money Only
The order must be for payment of only money. If the banker is asked to deliver securities, the document cannot be called a cheque. Further, the sum of money must be certain.

(v) Payee to be Certain
The cheque must be made payable to a certain person or to the order of a certain person or to the bearer of the instrument. The word, person includes bodies corporate, local authorities, associations, holders of office of an institution etc.,

4. What are the requisites for a valid endorsement?

Requisites of a Valid Endorsement
If an endorsement is to be valid, it must possess the following requisites:

1. Endorsement is to be made on the face of the instrument or on its back. It is usually made on the back of a negotiable instrument.
2. When there is no space for making further endorsements a piece of paper can be attached to the negotiable instrument for this purpose. This piece of paper is called ‘Allonge’.
3. If the endorsee’s name is wrongly spelt, the endorsee should sign the same as spelt in the instrument and write the correct spelling within brackets after his endorsement.
4. Endorsement for only a part of the amount of the instrument is invalid. It can be made only for the entire amount.
5. Where, however, the instrument has been partly paid, a note to that effect can be given on the instrument and endorsement made for the balance amount.
6. Endorsement is complete only when delivery of the instrument is made. On the death of the endorser who has endorsed an instrument but has not delivered it to the endorsee, the endorsement becomes invalid.
7. It is presumed that the endorsements appearing on a negotiable instrument were made in the order in which they appear thereon.
8. Signing in block letters does not constitute regular endorsement.
9. The prefixes or suffixes added to the names of the payees or endorsees must be omitted in the endorsement.
10. Endorsement must be in link
11. If the payee is an illiterate person, he can endorse it by affixing his thumb impression on the instrument. But it must be duly attested by somebody who should give his full address thereon.
12. A person duly authorised to endorse a cheque or a bill must indicate that he is signing init on behalf of his principal by using such words as “for”, “on behalf of” or “per pro”.

5. Explain the different kinds of endorsements

1. Endorsement in blank or general endorsement
When the endorser puts his mere signature on the back of an instrument without mentioning the name of the person to whom the endorsement is made, it is called Blank Endorsement or General Endorsement.

2. Endorsement in full or special endorsement
Where the endorser, in addition to his signature, specifies the person to whom or to whose order the instrument is payable, the endorsement is called endorsement in full

3. Conditional or qualified endorsement
Where the endorser of a negotiable instrument makes his liability dependent upon the happening of an event which may or may not happen, it is called conditional endorsement.

4. Restrictive endorsement
When an endorsement restricts or prohibits further negotiability of the instrument, it is called Restrictive Endorsement.

5. Sans recourse endorsement
Ordinarily the endorser becomes liable to subsequent parties in the event of dishonor of the instrument. But if he makes it clear that the subsequent holders should not look to him for payment in case it is dishonoured, the endorsement is called Sans Recourse Endorsement

6. Facultative Endorsement
To make an endorser liable on the instrument, notice of dishonour must be given to him. But if the endorser waives this right by a writing "Notice of dishonor waived" at the time of endorsing, it is called Facultative Endorsement

7. Partial Endorsement
Where the endorsement seeks to transfer only a part of the amount payable under the instrument, the endorsement is called Partial Endorsement. Partial endorsement does not operate as a negotiation of the instrument.

IV. Long Answer Questions:
1. How do you Classify entrepreneurs.
Accordingly, entrepreneurs are now broadly classified into three groups namely risk bearer, organiser and innovator.

(i) Entrepreneur as a Risk Bearer
Richard Cantillon, an Irish man described the entrepreneur to be a person who assumes risk inherent in the venture started by him. Entrepreneur acts as an agent combining all factors of production to produce a product or service in order to sell at uncertain price in future. Knight also describes an entrepreneur to be an economic functionary who undertakes the risk of uncertainty which cannot be insured or capitalised or salaried. In nutshell, entrepreneur is described to be a risk taker.

(ii) Entrepreneur as an Organiser
According to Jean Baptize, entrepreneur is one who brings together various factors of production and creates an entity to produce product or service and supervises and coordinates several functions in the process. He further elaborates that an entrepreneur faces a great deal of obstacles and misfortunes and undergoes mental agony and anxieties in the process of organising any venture. In sum, entrepreneur is described to be an organiser.

(iii) Entrepreneur as an Innovator
Joseph A Schumpeter in the year 1934 used innovation as a criterion to define an individual as entrepreneur. According to him, entrepreneur is one who
i. Introduces a brand new product in the market
ii. Institutes new technology to produce a product
iii. Discovers new course of supply of raw materials
iv. Discovers new product hitherto untapped
v. Puts in place a new form of organisation by establishing a monopoly or by dismantling existing monopoly.

2. What are the characteristics of an entrepreneur?
1. Spirit of Enterprise
Entrepreneur should be bold enough to encounter risk arising from the venture undertaken

2. Self Confidence
Entrepreneur should have a self confidence in order to achieve high goals in the business

3. Flexibility
Entrepreneur should not doggedly stick to decisions in a rigid fashion. Entrepreneur should change the decisions made already in the light of ever-changing business environment.

4. Innovation
Entrepreneur should contribute something new or something unique to meet the changing requirements of customers namely new product, new method of production or distribution, adding new features to the existing product, uncovering a new territory for business, innovating new raw material etc.,

5. Resource Mobilisation
Entrepreneur should have the capability to mobilise both tangible inputs like manpower, money materials, technology, market, method etc., which are scattered over a wide area and certain intangible inputs like motivation, morale and innovativeness cannot be purchased in the market outright. Entrepreneur has to marshal all these tangible and intangible inputs to produce a product successfully. Thus entrepreneurship is a function of gap filling and input completion.
6. Hard work
Entrepreneur should put in strenuous efforts and constant endeavours to accomplish the goals of the venture successfully. They have to courageously face uncertainties, risks and constraints.

3. Discuss the problems faced by Women Entrepreneurs.

1. Problem of Finance
The access of women to external sources of funds is limited as they do not generally own properties in their own name. Financial institutions too do not consider women in general creditworthy as they are sceptical of their entrepreneurial capabilities of women. They impose stringent condition which discourages women to avail themselves of loan assistance from banks.

2. Limited Mobility
Indian women cannot afford to shed their household responsibilities towards their family even after they plunge into the venture started by them. This restricts the mobility of women entrepreneur significantly.

3. Lack of Education
 Illiterate and semi-literate women entrepreneurs encounter a lot of challenges in their entrepreneurial journey with respect to maintaining accounts, understanding money matters, day-to-day operations of the company, marketing the products, applying technology etc., This reduces the efficiency of operating the business successfully.

4. Lack of Network Support
The successful operation of any venture irrespective of the size depends upon the network of support extended by various constituencies like family members, friends, relatives, acquaintances, neighbours, institutions and so on

5. Stiff Competition
Women entrepreneurs have to face acute competition for their goods from organized sector and from their male counterparts.

6. Sensitivity
Women are more prone to a variety of emotions. Being mother, women are vulnerable to many emotions. They tend to have sympathy and empathy for others. This trait does not allow women entrepreneurs to take objective decisions in many contexts during the course of running the entrepreneurial venture.

7. Lack of Information
Women entrepreneurs are reported not to be generally aware of subsidies and incentives available for them due to their poor literacy levels or due to their pre occupation with household responsibilities

8. Dependent culture
In India, women however educated and talented are groomed to be dependent on their parents, life partners and children during the various phases of their life cycle. They could not take decisions on their own in many contexts due to this dependency factor.

4. Distinguish between an Entrepreneur and an Intrapreneur.

<table>
<thead>
<tr>
<th>S.NO</th>
<th>BASIS</th>
<th>Entrepreneur</th>
<th>Intrapreneur.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thinking</td>
<td>Entrepreneur is a free thinker</td>
<td>Intrapreneur is forced to think independently but within scope of business activities undertaken in the enterprise.</td>
</tr>
<tr>
<td>2</td>
<td>Dependency</td>
<td>Entrepreneur is an independent person</td>
<td>Intrapreneur is dependent on the entrepreneur</td>
</tr>
<tr>
<td>3</td>
<td>Fund Mobilization</td>
<td>Entrepreneur has to mobilize funds to finance the venture</td>
<td>Intrapreneur does not engage in fund mobilization. But can access funds mobilized by the entrepreneur</td>
</tr>
</tbody>
</table>
5. Explain in detail the various functions of an entrepreneur.

I. Promotional Functions

(1) Discovery of Idea
The first and foremost function of entrepreneur is idea generation. A person may conceive his own ideas or develop the ideas contributed by others.

(2) Determining the business objectives
Entrepreneur has to develop business objectives in the backdrop of nature of business and type of business activity i.e. nature of business, manufacturing or trading, type of business organisation chosen.

(3) Detailed Investigation
Entrepreneur has to analyse in detail the product proposed to produce. In other words, Entrepreneur should investigate commercial feasibility of the product proposed to be produced and conduct market study to ascertain the potential demand for the product.

(4) Choice of form of enterprise
Entrepreneur has to choose the appropriate form of organisation suited to implement the venture.

(5) Fulfilment of the formalities
Having chosen the appropriate type of organisation, entrepreneur has to take necessary steps to establish the form of organisation chosen.

(6) Preparation of Business Plan
Entrepreneur has to prepare a business plan or project report of the venture that he is proposing to take up.

(7) Mobilisation of funds
Entrepreneur has to take steps to mobilise capital needed to implement the venture.

(8) Procurement of Machines and Materials
Entrepreneur has to locate the various sources of supply of machineries and equipments and materials. Entrepreneur has to collect details from the various sources of supply and screen them for selecting the best source of supply.

II. Managerial Functions

(i) Planning
Under planning, entrepreneur has to lay down the objectives, goals, vision, mission, policies, procedures, programmes, budget, schedules etc., for enabling the venture to proceed towards established destinations.

(ii) Organising
Entrepreneur puts in place suitable organisational structure to perform various managerial functions namely choosing the type of organisation, creating department, fitting the human resources to appropriate organisation slots, defining and delegating authority, distributing responsibility and creating accountability for efficient performance of activities.

(iii) Directing
In the realm of directing, entrepreneur has to motivate, lead, guide and communicate with subordinates on an ongoing basis in order to accomplish pre-set goals.

(iv) Controlling
Entrepreneur has to put in mechanism to evaluate the performance of employees across the organisation.

(v) Coordination
Entrepreneur has to evolve mechanism to pull together the diverse functions performed by various departments or teams and direct them towards the established goals of the organisation for accomplishment.

III. Commercial Functions
(i) Production or Manufacturing
Under production function, entrepreneur has to take decision relating to selection of factory site, design and layout, type of products to be manufactured, research and development, product design etc.

(ii) Marketing
Entrepreneur has to carry out following functions pertaining to marketing aspect namely consumer research, product planning and development, standardisation, packaging, pricing, warehousing, distribution, promotion etc., The very success of marketing function is very much linked with selection of appropriate marketing mix.

(iii) Accounting
Entrepreneur has to arrange to prepare trading and profit and loss account in order to know the profit or loss incurred out of operation of the business and prepare balance sheet to know the financial status of business at a particular day.

(iv) Finance
In the sphere of financial function, an entrepreneur has to take decisions like choosing the right type of financing, framing the best dividend policy, acquiring of funds, efficiently managing fixed and current assets, maximising shareholders wealth and investing of funds efficiently and effectively.

(v) Human Resource Management
Entrepreneur has to estimate the manpower needs of the enterprise and accordingly decide the size of manpower required for various slots of organisational structure.

IV. Long Answer Questions:

1. Distinguish between the rural and urban entrepreneur.

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Rural entrepreneur</th>
<th>Urban entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>These are people who start venture in rural locations</td>
<td>Entrepreneur who commences his entrepreneurial activity in urban areas like State Capital, District Headquarters, Towns, Municipalities etc.,</td>
</tr>
<tr>
<td>2</td>
<td>They are provided a lot of economic and fiscal incentives to start their venture in rural and semi urban areas</td>
<td>There is no such incentives are provided</td>
</tr>
<tr>
<td>3</td>
<td>the cost of operation of rural ventures tends to be low.</td>
<td>the cost of operation of urban ventures tends to be high</td>
</tr>
<tr>
<td>4</td>
<td>Agricultural and trading entrepreneurs prefer to set up their venture in rural areas</td>
<td>Industrial or corporate entrepreneurs prefer to set up their venture in urban areas</td>
</tr>
<tr>
<td>5</td>
<td>It creates employment opportunity in rural area</td>
<td>It creates employment opportunity in urban area</td>
</tr>
</tbody>
</table>

2. Explain in detail on classification according to the type of business

Classification According to Type of Business

1. Business Entrepreneur
Business entrepreneur is called solo entrepreneur. He/she is the one who conceives an idea for a new product/service and establishes a business enterprise to translate his idea into reality.

2. Trading Entrepreneur
Trading entrepreneurs are those who restrict themselves to buying and selling finished goods. They may be engaged in domestic and international trade. Their core strength lies in distribution and marketing. They get their income by way of commission and marketing.
3. Industrial Entrepreneur
These are entrepreneurs who manufacture products to cater to the needs of consuming public after identifying the need left unfulfilled by the manufacturer hitherto.

4. Corporate Entrepreneur
Corporate entrepreneur is called promoter. He/she takes initiative necessary to start an entity under corporate format. He/she arranges to fulfil the formalities to start a corporate entity under Company law.

5. Agricultural Entrepreneur
Agricultural entrepreneurs are those entrepreneurs who raise farm products and market them

6. Retail Entrepreneurs
Retail entrepreneurs are those who enter into venture of distributing the end-product to final consumer while wholesale entrepreneurs take up the venture of distributing the product to retailer

7. Service Entrepreneurs
Service entrepreneurs enter into the venture of supplying service products to end consumers.

3. Discuss the nature of functional entrepreneurs.

1. Innovative entrepreneurs:
These entrepreneurs have the ability to think newer, better and more economical ideas of business organisation and management. They are the business leaders and contributors to the economic development of a country.

2. Imitating entrepreneurs:
These entrepreneurs are people who follow the path shown by innovative entrepreneurs. They imitate innovative entrepreneurs because the environment in which they operate is such that it does not permit them to have creative and innovative ideas on their own.

3. Fabian entrepreneurs:
Fabian entrepreneurs are those individuals who do not show initiative in visualising and implementing new ideas and innovations wait for some development which would motivate them to initiate unless there is an imminent threat to their very existence.

4. Drone entrepreneurs:
Drone entrepreneurs are those individuals who are satisfied with the existing mode and speed of business activity and show no inclination in gaining market leadership. In other words, drone entrepreneurs are die-hard conservatives and even ready to suffer the loss of business

5. Social Entrepreneur:
Social entrepreneurs drive social innovation and transformation in various fields including education, health, human rights, workers' rights, environment and enterprise development

IV. Long Answer Questions:
1. Explain any five Government Entrepreneurial schemes.

1. Startup India:
- Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle.
- Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs.
- A 'Fund of Funds' has been created to help startups gain access to funding.

2. Make in India:
- This scheme is designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014.
- It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to centralize information about opportunities in India's manufacturing sector.
- This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

3. Atal Innovation Mission (AIM):
- AIM is the Government of India's endeavour to promote a culture of innovation and entrepreneurship, and
it serves as a platform for promotion of world-class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas.

5. Support to Training and Employment Programme for Women (STEP):
STEP was launched by the Government of India’s Ministry of Women and Child Development to train women who have access to formal skill training facilities, especially in rural India. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

5. Jan Dhan-Aadhaar - Mobile (JAM):
JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens

2. Describe the steps promoting Entrepreneurial venture.

Steps in Promoting an Entrepreneurial Venture.
The various steps involved in starting a venture have been highlighted.

1. Selection of the product
An entrepreneur may select a product according to his aspiration, capacity and motivation after a thorough scrutiny of micro and macro environment of business.

2. Selection of form of ownership
Entrepreneur has to choose the form of organisation suitable and appropriate for his venture namely family ownership, partnership and private limited company

3. Selection of Site
Entrepreneur has to choose suitable plot for accommodating his venture. He has four options open to him for housing his venture

4. Designing Capital Structure
Entrepreneur has to determine the source of finance for funding the venture. He/she may mobilise funds from his own savings, loans from friends and relatives, term loans from banks and financial institutions.

5. Acquisition of Manufacturing know-how
Entrepreneur can acquire manufacturing know-how from Government research laboratories, research and development divisions of industries, and individual consultants.

6. Preparation of project report
Project reports need to be prepared according to the format prescribed in the loan application form of term lending institutions. An entrepreneur can get the report prepared either by technical consultancy organisation or by auditors or by consultants or by development agencies.

3. Discuss the preparation of a project report
Preparation of project report
Project reports need to be prepared according to the format prescribed in the loan application form of term lending institutions. An entrepreneur can get the report prepared either by technical consultancy organisation or by auditors or by consultants or by development agencies. This report should cover aspects like sources of finance, technical know-how, sources of labour and raw materials, market potential and profitability. The project report should include the following

Technical Feasibility.
- It should mention the following
  - Description of product specification
  - Raw materials availability
  - Manufacturing process
  - Quality control measures
  - Availability of water, power, transport and communication facilities

Economic Viability
It essentially involves compilation of demand for domestic and export market, installed capacity of machines, market share, revenue expected, and suitable price structure.
Financial Viability
- It should cover the aspects like
  - Non-recurring cost such as Land and Building, Plant and Machinery etc.
  - Recurring expenses like wages, salaries, and overheads etc.
  - Profit on expected sales

Managerial Competency
- Entrepreneur has to include the mechanism for managing the venture in the project report.
- He has to provide details of the organisational structure contemplated in the project report for implementing the venture.

Permanent Registration Certificate
Once the venture has commenced production or when it is ready to commence production, it is eligible to get permanent registration certificate.

4. State condition stipulated for capital subscription at the time of promotion.
   (i) The fulfilling formalities to raise necessary capital
   (ii) Adhering to SEBI guidelines in this regard
   (iii) Observing guidelines for Disclosure and investor protection issued by SEBI
   (iv) Issuing prospectus
   (v) Appointing official banker of the company for receiving application from the investors
   (vi) Fulfilling the condition for valid allotment by director
   (vii) Passing resolution for making allotment by director
   (viii) Despatch allotment letters to allottees
   (ix) Filing allotment return with the Registrar
   (x) Issuing share certificates in exchange for their allotment letter
   (xi) Ensuring collection of minimum subscription

5. Explain different Kinds of Preference shares.
   I) Cumulative Preference shares: As the word indicates, all dividends are carried forward until specified, and paid out only at the end of the specified period.
   II) Non-cumulative Preference shares: The opposite of cumulative, obviously. Dividends are paid out of profits for every year. There are no arrears carried over a time period to be paid at the end of the term.
   III) Redeemable Preference shares: Such preference shares can be claimed after a fixed period or after giving due notice.
   IV) Non-Redeemable Preference shares: Such shares cannot be redeemed during the lifetime of the company, but can only be obtained at the time of winding up (liquidation) of assets.
   V) Convertible Preference shares: The shares can be converted into equity shares after a time period or as per the conditions laid down in the terms.
   VI) Non-convertible Preference shares: Non-convertible preference shares cannot be, at any time, converted into equity shares.
   VII) Participating Preference shares: Such shares have the right to participate in any additional profits, after paying the equity shareholders. The surplus of profit is apart from the fixed dividend paid up for preference shares.
   VIII) Non-Participating Preference shares: Non-participating preference shares do not possess any right to participate in surplus profits or any surplus gained at the time of liquidation of the company.

IV. Long Answer Questions:
1. Write the difference between Debentures and Shares:

<table>
<thead>
<tr>
<th>S. No</th>
<th>DEBENTURES</th>
<th>SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Debentures constitute a loan</td>
<td>Shares are part of the capital of a company</td>
</tr>
<tr>
<td>2</td>
<td>Middle and Lower Level</td>
<td>Top level</td>
</tr>
<tr>
<td>3</td>
<td>Debenture holder gets fixed rate of Interest which carries a priorities over</td>
<td>Shareholders gets dividends with a varying rate.</td>
</tr>
</tbody>
</table>
Dividend.

4. Debentures generally have a charge on the assets of the company. Shares do not carry any such charge.

5. Debentures can be issued at a discount without restrictions. Shares cannot be issued at a discount.

6. The rate of interest is fixed in the case of debentures. Whereas on equity shares, the dividend varies from year to year depending upon the profit of the company and the Board of directors' decision to declare dividends or not.

7. Debenture holders do not have any voting right. Shareholders enjoy voting right.

2. Brief different stages in Formation of a Company.

Formation of a Company has been divided into four stages:

1. Promotion
2. Registration
3. Capital Subscription
4. Commencement of Business

STAGE 1 PROMOTION

The stage of promotion starts when a promoter conceives the idea to form a company and ends when the company is formed and is handed over to the directors.

Incorporation or Registration – Second stage

The second stage in the formation of the company is incorporation or registration. In this stage the promoter does the following:

(a) Application for Availability of Name of company
(b) Preparation of Memorandum and Articles of Association
(c) Declaration from the professional
(d) Preparation of Affidavit from the subscribers to the Memorandum
(e) Furnishing verification of Registered Office
(f) Preparation of particulars of subscribers
(g) Preparation of particulars of first directors along with their consent to act as directors
(h) Power of Attorney

Capital Subscription - Third stage

Both private company and public company not having share capital can commence its business after the completion of the above stages. But a public limited company having its share capital has to pass through two more stages. One of them is capital subscription, steps to be taken at this stage are listed below.

(i) The fulfilling formalities to raise necessary capital
(ii) Adhering to SEBI guidelines in this regard
(iii) Observing guidelines for Disclosure and investor protection issued by SEBI
(iv) Issuing prospectus
(v) Appointing official banker of the company for receiving application from the investors
(vi) Fulfilling the condition for valid allotment by director
(vii) Passing resolution for making allotment by director
(viii) Despatch allotment letters to allottees
(ix) Filing allotment return with the Registrar
(x) Issuing share certificates in exchange for their allotment letter
(xi) Ensuring collection of minimum subscription

Commencement of Business – Fourth stage

As per section 11 of the Act, a company having share capital should file with the Registrar, declaration stating that

(i) Every subscriber to the Memorandum has paid the value of shares agreed to be taken by him.
(ii) Paidup capital is not less than Rs.5 lakhs in the case of public limited company and Rs.1 lakh in the case of private limited company.
(iii) It has filed the Registrar the verification of the registered office.
These restrictions in section 11 are applicable to companies having share capital. It can commence business only after fulfilling all the formalities mentioned above and exercise borrowing powers immediately after incorporation.

3. What are the various kinds of Debentures?

1. On the basis of convertibility, Debentures may be classified into following categories:
   (i) Non Convertible Debentures (NCD): These instruments retain the debt character and cannot be converted into equity shares.
   (ii) Partly Convertible Debentures (PCD): A part of these instruments are converted into Equity shares in the future at notice of the issuer
   (iii) Fully convertible Debentures (FCD): These are fully convertible into Equity shares at the issuer’s notice
   (iv) Optionally Convertible Debentures (OCD): The investor has the option to either convert these debentures into shares at a price decided by the issuer/agreed upon at the time of issue

2. On the basis of Security, debentures are classified into:
   (A) Secured Debentures: These instruments are secured by a charge on the fixed assets of the issuer company
   (B) Unsecured Debentures: These instrument are unsecured in the sense that if the issuer defaults on payment of the interest or principal amount, the investor has to be included as unsecured creditors of the company.

3. On the basis of Redeemability, debentures are classified into:
   (A) Redeemable Debentures: It refers to the debentures which are issued with a condition that the debentures will be redeemed at a fixed date or upon demand, or after notice, or under a system of periodical drawings.
   (B) Perpetual or Irredeemable Debentures: A Debenture, in which no specific time is specified by the companies to pay back the money, is called an irredeemable debenture.

4. On the basis of Registration, debentures may be classified as
   (A) A Registered Debentures: Registered debentures are issued in the name of a particular person, whose name appears on the debenture certificate and who is registered by the company as holder on the Register of debenture holders.
   (B) Bearer debentures: Bearer debentures on the other hand, are issued to bearer, and are negotiable instruments, and so transferable by mere delivery like share warrants.

4. What formalities need to be fulfilled for a companies having share capital to commence business?
As per section 11 of the Act, a company having share capital should file with the Registrar, declaration stating that
(i) Every subscriber to the Memorandum has paid the value of shares agreed to be taken by him.
(ii) Paid up capital is not less than Rs.5 lakhs in the case of public limited company and Rs.1 lakh in the case of private limited company.
(iii) It has filed the Registrar the verification of the registered office. These restrictions in section 11 are applicable to companies having share capital. It can commence business only after fulfilling all the formalities mentioned above and exercise borrowing powers immediately after incorporation.

5. Write the difference between Share Certificate and Share Warrant

<table>
<thead>
<tr>
<th>S.NO</th>
<th>BASIS FOR COMPARISON</th>
<th>SHARE CERTIFICATE</th>
<th>SHARE WARRANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Meaning</td>
<td>A legal document that indicates the possession of the shareholder on the specified number of shares is known as share certificate.</td>
<td>A document which indicates that the bearer of the share warrant is entitled to the specified number of shares is share warrant.</td>
</tr>
<tr>
<td>2</td>
<td>Compulsory</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Issued by</td>
<td>All companies limited by shares Pvt or Public limited companies</td>
<td>Only public limited companies have the right to issue share warrant.</td>
</tr>
<tr>
<td>4</td>
<td>Negotiable Instrument</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Send Your Questions & Answer Keys to our email id - padasalai.net@gmail.com
<table>
<thead>
<tr>
<th></th>
<th>Transfer</th>
<th>The transfer of share certificate can be done by executing a valid transfer deed.</th>
<th>The transfer of share warrant can be done by mere hand delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Original issue</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

### IV. Long Answer Questions:

1. **Who are the KMP?**

**Key- Managerial Personnel of a Company**

- Companies Act, 2013 (Act) has introduced many new concepts and Key Managerial Personnel (KMP) is one of them.
- KMP covers the traditional roles of managing director and whole time director and also includes some functional heads like Chief Financial Officer and Chief Executive Officer and Company Secretary.

**WHO ARE THE KEY MANAGERIAL PERSONNEL ?**

The definition of the term Key Managerial Personnel is contained in Section 2(51) of the Companies Act, 2013. This Section states:

- (i) the Chief Executive Officer
- (ii) the Managing Director or the Manager;
- (iii) the Company Secretary;
- (iv) the Whole-time Director;
- (v) the Chief Financial Officer; and
- (vi) such other officer as may be prescribed;

**Following Companies are required to appoint KMP**

- Every listed company
- Every public company (Having paid up share capital of Rs. 10 crore or more)

2. **Explain composition of the board of directors.**

**COMPOSITION OF THE BOARD OF DIRECTORS:**

- a) **General Optimum Combination:**
  
  Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors.

- b) **When the non-executive Director is the Chairperson:**
  
  In this case, at least one-third of the board of directors shall comprise of independent directors and where the company does not have a regular non-executive chairperson, at least half of the board of directors shall comprise independent directors.

- c) **when the non-executive chairperson is a promoter or is related to any promoter or person occupying management positions at the level of board of director or at one level below the Board of Directors:**
  
  In this case, at least one half of the board of directors of the company shall consist of Independent Directors (ID).

3. **Brief different types of Directors.**

**Types of Directors as per Companies Act 2013**

1. **Residential Director:** According to Section 149(3) of Companies Act 2013, Every company should appoint a director who has stayed in India for a total Period of not less than 182 days in the previous calendar year.

2. **Independent Director:** According to Section 149(6) an independent director is an alternate director other than a Managing Director who is known as Whole Time Director Or Nominee Director. The following type of companies has to appoint minimum Two independent directors:-
   
   a) Public Companies which have Paid-up Share Capital- `10 Crores or More; --
   b) Public Companies which have Turnover - `100 Crores or More:-

3. **Small Shareholders Directors:** Small shareholders can appoint a single director in a listed company. But this action needs a proper procedure like handing over a notice to at least 1,000 Shareholders or 1/10th of the total shareholders.

4. **Nominee Director:** “A director nominated by any financial Institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government , or any other person to represent its interests”.

5. **Women Director:** As per Section 149 (1) (a), there are certain categories according to which there should be at least one woman as a director on the Board. The following class of companies shall appoint at least one woman director
   
   (i) every listed company;
(ii) every other public company having:
(a) paid-up share capital of one hundred crore rupees or more; or
(b) turnover of three hundred crore rupees or more.

6. Additional Directors: Any Individual can be appointed as Additional Directors by a company.

7. Alternate Directors: Alternate director is appointed by the Board of Directors, as a substitute to a director who may be absent from India, for a period which is not less than three months

8. Shadow Director: A person who is not the member of Board but has some power to run it can be appointed as the director but according to his/her wish.

4. State the qualification of Directors.
As regards to the qualification of directors, there is no direct provision in the Companies Act, 2013. In general, a director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company’s business. According to the different provisions relating to the directors; the following qualifications may be mentioned:

1. A director must be a person of sound mind.
2. A director must hold share qualification, if the article of association provides such.
3. A director must be an individual.
4. A director should be a solvent person.
5. A director should not be convicted by the Court for any offence, etc.
6. List the disqualification of a directors.
Section 164 of Companies Act, 2013, has mentioned the disqualification as mentioned below:
1) A person shall not be capable of being appointed director of a company, if the director is
(a) Of unsound mind
(b) An undercharged insolvent;
(c) Has been convicted by a court for any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months
(d) Has not paid any call in respect of shares of the company held by him, whether alone or jointly with others.
(e) An order disqualifying him for appointment as director has been passed by a court in pursuance of section 203
(f) He has been convicted of the offence dealing with related party transactions under section 188.
(g) He has not got the Director Identification Number

6. Explain how director of a company can be removed from the office.

Removal of Director
A Director of Company can be removed from his Office before the expiry of his term by a) the Shareholders
b) the Central Government c) the Company Law Board

A director can be removed from his office in any of the following three ways:
a) Removal by shareholders 169
A company (whether public or private) may, by giving a special notice and passing an ordinary resolution, remove a director before the expiry of his period of office without the proof of mismanagement, breach of trust, misfeasance or other misconduct on the part of the director. If the shareholders feel that the policies pursued by the director are not appropriate, then director can be removed. The shareholders can do so by passing an ordinary resolution in a general meeting.

b) Removal by the Central Government
The Central Government has been empowered to remove managerial personnel from office on the recommendation of the Company Law Board under the following circumstances.
(i) Where a person concerned in the conduct and management of the affairs of a company has been guilty of fraud, misfeasance, persistent negligence in carrying out his obligations.
(ii) Where the business of a company has not been conducted and managed by such a person, in accordance with sound business principles or prudent commercial practices;
(iii) Where the business of a company has been conducted and managed by such a person in a manner which is likely to cause injury or damage to the interest of the trade, industry or business.
(iv) Where the business of the company has been conducted and managed by such a person with the intent to defraud its creditors, members or any other persons.
c) Removal by the Company Law Board

If an application has been made to the Company Law Board against the oppression and mismanagement of the company's affairs by a director, then the Company Law Board may order for the termination of the director's tenure or set aside any agreement that has been entered into between the company and the director. Such order can effect the removal of the director from his office.

7. What is the maximum limit for the Managerial remuneration?

Remuneration Allowed to Managerial Person

in case of Company's having adequate profits:

A Public Company can pay remuneration to its directors including Managing Director and Whole-time Directors, and its managers which shall not exceed 11% of the net profit and it may also be noted, when a Company has only one Managing Director or Wholetime Director or manager the remuneration payable shall not exceed 5% of net profits if it is more than one 11% as calculated in a manner laid down in section 198 of the Companies Act, 2013.

Maximum Remuneration Payable by a Company to its Managerial Personnel

Remuneration Payable by a company in case where is no profit or inadequacy of profit without Central Government and to pay remuneration in excess of the above limit is detailed below:

Where Effective Capital is Limit of yearly Remuneration payable shall not exceed (Rupees)

(i) Negative or less than ` 5 Crore ` 30 lakh
(ii) ` 5 Crore and above but less than ` 100 Crore ` 42 lakh
(iii) ` 5 Crore and above but less than ` 100 Crore ` 60 lakh
(iv) ` 250 Crore and above ` 60 lakh plus 9.91% of the effective capital in excess of ` 250 Crore

Minimum Remuneration in case of Losses During the Tenure of Managerial Personnel

The Approval of Central Government shall not be required in case of loss or inadequacy of profit during the tenure of Managerial Person.

Remuneration Payable to a Managerial Person in Two Companies

A managerial person shall draw remuneration from one or more companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he/she is a managerial person.

8. What are the duties of a directors?

The following are the duties of Directors.

Collective Duties of Directors: Directors as a part of Board perform certain duties collectively. The following are some of those duties exercised collectively:-

(i) Approval of annual accounts and authentication of annual accounts
(ii) Directors report to shareholders highlighting performance of the company, transfers to reserves, investment of surplus funds, borrowings
(iii) Appointment of First Auditors
(iv) Issuance of Notice and Holding of Board meetings and shareholders meetings
(v) Passing of resolutions at board meetings or by circulation.

General duties of Directors:

(i) Structuring or new policy to reach the objectives of a company.
(ii) Delegating power to any committee if the Articles Permits for well being of the company
(iii) Issuing instructions to employees for implementation of policy to review company's progress.
(iv) Appointing their subordinates like Managing director, Manager, Secretary and other employees.
(v) Acting in accordance with the Articles of the company
(vi) Act in Good faith in order to promote the objects of the company
(vii) Perform duties with due and reasonable care and diligence.

Specific Duties of Directors

(i) Duty to disclose his name, address and occupation
(ii) Duty to disclose his shareholding and interest in Contracts of the company.
(iii) Duty to hold minimum qualification shares within two months after his appointment.
(iv) Duty to issue prospectus and fix the minimum subscription.
(v) Duty to take care that prospectus should not contain any false or misleading statement.
(vi) Duty to confirm the required disclosure in the prospectus as required by the Act.
(vii) Duty to sign in the prospectus before submitting it to the Registrar of Companies
(viii) Duty to deposit application money in a scheduled Bank and its utilisation in accordance with the specification given in the Act.
(ix) Duty to file Return of Allotment of Securities with the Registrar.
(x) Duty to arrange for making payment of Dividend declared.
(xi) Duty to forfeit and transfer shares.
(xii) Duty to file all the reports and resolutions as required by the Act with the Registrar of Companies.
(xiii) Duty to carry out all other activities as specified in the Act in time.
(xiv) Duty to call on an Extraordinary General Body Meeting, if necessary.
(xv) Duty to call statutory and annual general meeting of the company

9. State the powers of the directors.

The power of the Directors grouped into four different heads viz.,
(i) Statutory Powers of Directors
(ii) Managerial Powers of Directors
(iii) Powers only with a resolution
(iv) Other Powers

Statutory Powers of Directors
In the General Body Meeting of the Company the following powers must be exercised by the Board of Directors by passing a resolution.
(i) Power to make calls on shareholders in respect of money unpaid on their shares
(ii) Power to issue debentures
(iii) Power to borrow moneys otherwise than on debentures
(iv) Power to invest the funds of the company
(v) Power to make loans
(vi) Power to diversify the company business
(vii) Power to approve amalgamation, Merger or reconstruction
(viii) Power to approve Financial Statement and Board reports.

Managerial Powers of Directors
(i) Power to contract with the third party.
(ii) Power to allot, forfeit or transfer shares of company
(iii) Power to decide the terms and conditions to issue debentures.
(iv) Power to frame new policies and to issue instructions for the efficient running of the business.
(v) power to appoint Managing Director, Manager, Secretary of the company.
(vi) power of Control and supervision of work of subordinates.

Powers only with a resolution
(i) To sell or lease any asset of the company
(ii) To allow time to the director for repayment of the loan
(iii) To borrow money in excess of paid up Capital and free reserves
(iv) To appoint a sole agent for more than 5 years.
(v) To issue bonus shares and for reorganization of share capital
(vi) To contribute money for charitable purposes exceeding • 50,000 or 5% of the average profits of 3 years whichever is greater.

Other Powers
(i) Power to fill casual vacancy
(ii) Power to appoint the first auditor of the company
(iii) Power to appoint alternative directors, additional directors and Key managerial personnel.
(iv) Power to remove Key managerial personnel
(v) Power to recommend the Interim and final dividend to shareholders.
(vi) Power to declare solvency position of the company.
(vii) Power to make political contribution

10. State the Criminal liabilities of Directors.
Criminal liabilities of directors:
Directors will be liable with a fine and imprisonment or both for fraud of non-compliance of any statutory provisions in the following situations where
(i) There is mis-statement in Prospectus
(ii) There is failure to file return on allotment with the registrar
(iii) There is failure to give notice to the registrar for conversion of share into stock
(iv) There is failure to issue share Certificate and Debenture certificate
(v) There is failure to maintain register of the members and register of debenture holders
(vi) There is default in holding Annual General Meeting
(vii) There is failure to provide Financial Statements

IV. Long Answer Questions:
1. Elaborate the functions of the Company Secretary

Functions of the Company Secretary may be discussed under two headings:
(i) Statutory Functions or Duties and
(ii) Non-statutory Functions or Duties.

Statutory Functions
As the principal officer of the company, the secretary must observe all the legal formalities in respect of the provisions of the Companies Act and other laws

According to Companies Act 2013
(i) To sign document and proceedings requiring authentication by the company
(ii) To maintaining share registers and register of Directors and of contracts
(iii) To give notice to register for increase in the share capital
(iv) To deliver share certificate of allotment within 2 months after transfer
(v) To sign and send annual return
(vi) To make a statutory declaration for receiving certificate of commencement of business
(vii) To send notice of general meeting to every member of the company
(viii) To make statutory books
(ix) To prepare minutes of every general meeting and board meeting within 30 days
(x) To file a resolution with the registrar
(xi) To assist in preparing the statement of affairs in a winding up

Under the Income-tax Act:
He is responsible for deduction of requisite income tax from salaries of employees, dividends and interests payable.
He has to ensure that the tax deducted is deposited at government treasury.

Under Indian Stamp Act:
The company secretary has to ensure that whether proper stamps are affixed on the company’s documents like letter of allotment and share certificate or not.
He is also complying with Minimum Wages Act, Industrial Disputes Act, Employee State Insurance Act etc.

Under the Sales-Tax Act:
He must ensure timely submission of tax returns to the Sales-tax authorities and payment of tax.

Under Other Acts:
He must see that the provisions of any other Act applicable to the company, e.g., Foreign Exchange Regulation Act, Industries (Development and Regulation) Act, and Rules, are also complied with.
Where the company is carrying on manufacturing business, he must also comply with the provisions of the Factories Act, Payment of Wages Act, Industrial Disputes Act and other labour laws.

Non-Statutory Functions
Secretary has to discharge non-statutory functions in relation to directors, shareholders and office and staff. These functions are briefly mentioned.
(1) Functions as agent of directors;
(2) Functions towards shareholders;
(3) Functions towards office and staff.

1. Functions in Relation to Directors
A company secretary acts under the full control of the board of directors and carry out the instructions of the directors. The secretary provides necessary advice and information to the board to formulate company policy and arrive at decisions. It is the secretary’s duty to implement the decisions taken by the board of directors.

2. Functions in Relation to Shareholders
The company secretary must serve in the best interests of the shareholders. He also must safeguard the shareholders’ interest. Under the Companies Act 2013, secretary should act as link between the board of directors and the shareholders and also ensure that the shareholder’s rights are violated.

3. Functions in Relation to Office and Staff
The Secretary is the kingpin of the whole corporate machinery. He is responsible for smooth functioning of the office work. He exercises an overall supervision, control and co-ordination of all clerical activities in the office

2. Discuss the liabilities of Company Secretary.

Liabilities:
Liabilities of a Company Secretary emanate from various statutes and service contracts. The Secretary has two sets of liabilities—statutory liabilities and contractual liabilities.

Statutory Liabilities:
The Company Secretary may be held liable for many penalties under the Companies Act if he makes any default in complying with its provisions.

The Company Secretary may be held liable for:
(i) default in holding Statutory Meeting and filing and circulating the Statutory Report to the Registrar of Companies and members of the company;
(ii) Default in holding the Annual General Meeting of the Company;
(iii) Failure to give due notice of Board Meetings;
(iv) Failure to record the minutes of the Board and General Meetings;
(v) Failure to maintain Director ‘Members’ and Debenture holders’ Registers and Index;
(vi) Failure in registering resolutions and agreements which need to be registered;
(vii) Failure to make entries in the register of members on the issue of a share warrant;
(viii) Default in filing with the Registrar particulars of any change created by the company;
(ix) failure to file with the Registrar copies of the annual Balance Sheet, Profit and Loss Account, annual returns, statements, certificates, etc.;
(x) Failure in circulating resolutions for which members have given notice;
(xi) Failure in delivering share certificates, debentures etc. within 3 months of the date of allotment and within 2 months of the application for registration of transfer of shares;
(xii) Failure in painting or affixing the name of the company outside every office and place of business;
(xiii) Non-compliance with the provisions of the Act relating to the appointment of auditors, audit of accounts and auditor’s report;
(xiv) Like any officer of the company, the Secretary will be punishable with imprisonment for falsifying the books of the company and making willfully and knowingly a material false statement in the Balance Sheet, or, in certain returns, reports, certificates or other documents of the company.

Under the Income Tax Act, the Company Secretary is liable for:
(i) Failure to deduct income tax from salaries of employees at source;
(ii) Failure to deduct income tax from dividend payable to shareholders;
(iii) Failure to deposit tax deducted at source to the Income Tax Authority;
(iv) Failure to pay corporate tax in time.

Under the Stamp Act, the Company Secretary is liable for:
(i) Failure to verify whether the requisite stamps are affixed to various documents.

Under the Sales Tax Act, the Company Secretary is liable for:
(i) Failure to get the company registered with the Sales Tax Authority;
(ii) Failure to pay sales tax in time.

Under the Registration Act, the Company Secretary is liable for:
(i) Non-compliance with the rules and procedures of registration.
(ii) Non-payment of registration charges under the MRTP, FERA, Shops and Establishment Act. The Secretary may incur personal liability for default of any provision of the respective Acts.
Contractual Liabilities:
The Company Secretary also has certain liabilities arising out of his contract of service with the company for:
(i) Disclosure of official secrets; (ii) Acts done beyond the limits of his authority;
(iii) Acts of omission and commission in violation of the rules and fraud in course of employment;
(iv) Making breach of trust; (v) Discharging duties without reasonable care and skill.

3. Briefly state different types of company meetings.

Kinds of Company Meetings
Under the Companies Act, 2013, Company meetings can be classified as under:

1. Meetings of Shareholders:
   (a) Statutory Meeting (b) Annual General Meetings (AGM) (c) Extraordinary General Meetings (EGM)

2. Meetings of the Directors
   (a) Board meetings (b) Committees meetings

3. Special Meetings
   (a) Class Meetings. (b) Creditors and of Debenture/bond holders meetings

Shareholders Meetings
The meeting held with the shareholders of the company is called shareholders meeting. The shareholders meeting can be classified as statutory meeting, annual general meeting and extra ordinary general meeting

a) Statutory Meeting
According to Companies Act, every public company, should hold a meeting of the shareholders within 6 months but not earlier than one month from the date of commencement of business of the company. This is the first general meeting of the public company is called the Statutory Meeting. This meeting is conducted only once in the lifetime of the company.

b) Annual General Meeting [AGM]
Every year a meeting is held to transact the ordinary business of the company. Such meeting is called Annual General Meeting of the company (AGM). Company is bound to invite the first general meeting within eighteen months from the date of its registration. Then the general meeting will be held once in every year.

c) Extra-Ordinary General Meeting
All other general meetings other than statutory and annual general meetings are called extraordinary general meetings. If any meeting conducted in between two annual general meeting to deal with some urgent or special or extraordinary nature of business is called as extra-ordinary general meetings.

Meeting of the Board of Directors
a) Board Meetings
Meetings of directors are called Board Meetings. Meetings of the directors provide a platform to discuss the business and take formal decisions. First meeting of directors should be convened within 30 (Thirty) days from the date of incorporation of the company.

b) Committee Meetings
Every listed company and every other public company having paid up share capital of 10 crore is required to have audit committee. This committee should meet at least four times in a year.

Special Meeting
a) Class Meeting (Meetings of Particular Share or Debenture Holders)
Meetings, which are held by a particular class of share or debenture holders e.g. preference shareholders or debenture holders is known as class meeting.

b) Meetings of the Creditors
Strictly speaking, these are not meetings of a company. Unlike the meetings of a company, there arise situation in which a company may wish to arrive at a consensuses with the creditors to avoid any crisis or to evolve compromise or to introduce any new proposals

4. Describe the different types of resolutions which company may pass with suitable matters required for each type of resolution.

Kinds of Resolution
There are broadly three types of resolutions, namely
a) ordinary resolution, b) special resolution and c) resolution requiring special notice.

a) Ordinary Resolution:
An ordinary resolution is one which can be passed by a simple majority, i.e. if the members of votes cast by members, entitled to vote in favour of the resolution is more than the votes cast against the resolution.

Ordinary Resolution is required for the following Matters
(i) To change or rectify the name of the company
(ii) To alter the share capital of the company
(iii) To redeem the debentures
(iv) To declare the dividends
(v) To approve annual accounts and balance sheet
(vi) To appoint the directors
(vii) To increase or decrease the number of directors within the limits prescribed
(viii) To remove a director and appoint another director in his place
(ix) To make inter corporate investment, within the limits
(x) To approve voluntary winding up if the articles authorise
(xi) To fill up the vacancy in the office of liquidator, etc.,

b) Special Resolution
A special resolution is the one which is passed by a not less than 75% of majority. The number of votes, cast in favour of the resolution should be three times the number of votes cast against it. The intention of proposing a resolution as a special resolution must be specifically mentioned in the notice of the general meeting.

Special Resolution is required for the following Matters
(i) To change the registered office of the company from one state to another
(ii) To change the objectives of the company
(iii) To change the name of the company
(iv) To alter the Articles of Association
(v) To reduce the share capital subject to the confirmation of the court
(vi) To commence any new business
(vii) To appoint the auditor for the company
(viii) To appoint the sole selling agents in specified cases
(ix) To determine the remuneration of the Director and the Managing Director

(c) Resolution requiring Special Notice:
There are certain matters specified in the Companies Act, 2013 which may be discussed at a general meeting only if a special notice is given at least 14 days before the meeting. The intention to propose any resolution must be notified to the company.

The following matters require special notice before they are discussed in the meeting:
(i) To appoint an auditor, a person other than a retiring auditor
(ii) To provide expressly that a retiring Auditor shall not be reappointed
(iii) To remove a director before the expiry of his period of office
(iv) To appoint a director in the place of a director so removed

5. Explain different types of open and secret types of voting.
There are two distinct procedures of voting viz., Open and Secret procedures.

I. Open Procedure
This type of voting has no secrecy as all the members assembled can see voting. There are two popular methods of open voting namely voice voting and voting by show of hands.

(a) By Voice:
Voice voting is a popular type of voting in which the chairman allows the members to raise their voice in favour or against an issue ‘Yes’ for approval and ‘No’ for rejection.

Chairman announces the result of voice voting on the basis of strength of words shouted. It is an unscientific method. It cannot be employed for deciding complex issue.

(b) By Show of Hands:
Under this method, the chairman, requests the members to raise their hands of those who are in favour of the proposal or candidate and then requests those are against.

Then the chairman counts the number of hands raised for Yes and No respectively can announce the result on the basis of hands counted.

II. Secret Procedure
Secret procedure is adopted to decide certain vital issues. It is a popular voting method that could maintain the secrecy of the voter.
a) By Ballot
Under this system, ballot paper bearing serial number is given to the members to record their opinion by marking with the symbol or Shareholders have to cast their vote in a secret chamber and put the ballot paper into the ballot box. The chairman opens the ballot box in the presence of tellers or scrutinizers and counts the votes. He rejects the defective or wrongly marked ballot papers. The votes are counted and the results are announced.

b) Postal Ballot
Big companies or big associations having members scattered all over the country follow this method of voting. Under this method serially numbered ballot papers are sent by post in sealed covers to the members, who, living at a distant place, are unable to attend the meeting physically. The members or voters fill in the ballot papers and return them in sealed covers which are opened when the ballot box is opened for counting the votes.